



DRAFT FOR PUBLIC COMMENT

## **Offshore Block 11B/12B Reference No. 12/4/13 PR Social and Labour Plan**

**Draft for public comment by  
14 August 2025**

## Executive summary

This Social and Labour Plan (SLP) has been developed in consultation with a range of stakeholders, including local government (George and Mossel Bay Municipalities) and the Petroleum Agency of South Africa (PASA). Further broad-based stakeholder engagement in terms of Regulation 42 of the Mineral and Petroleum Resources Development Regulations, 2004 (MPRD Regulations) was conducted in 2023.<sup>1</sup> These engagements provided valuable input into the SLP.

The objectives of an SLP, as outlined in Regulation 41 of the MPRD Regulations, are to:

- promote employment and advance the social and economic welfare of all South Africans.
- contribute to the transformation of the [extractives sector].
- ensure that holders of [production] rights contribute towards the socio-economic development of the areas in which they operate.

In terms of Regulations 43-45 of the MPRD Regulations, an approved SLP is subject to periodic five-year reviews and valid until a closure certificate is issued in terms of Section 43 of the Mineral Petroleum Resources Development Act 28 of 2002 (MPRDA).<sup>2</sup> Further, the holder of a [production] right must submit an annual report on compliance with the approved SLP to the relevant [regulatory authority], in this case PASA. An approved SLP may not be amended or varied without the consent of the Minister after the granting of the [production] right to which such SLP pertains.

The SLP centres on the following key areas:

- Human Resources Development (HRD), including:
  - Education, training and development of employees.
  - Measures aimed at promoting the portability of skills.
  - Employment equity imperatives, including the development of women.
- Sustainable local economic development (LED) programmes, with the emphasis on addressing the Integrated Development Programmes (IDP's) of local government and meeting the needs of those communities most directly impacted by production operations, including:
  - Infrastructure development projects.
  - The alleviation of poverty.
- Plans relating to the management of downscaling, closure and retrenchments, including the creation of a *Future Forum*.

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<sup>1</sup> Mineral and Petroleum Resources Development Regulations GN R527 published in GG 26275 of 23 April 2004 (as amended) (MPRD Regulations).

<sup>2</sup> Mineral and Petroleum Resources Development Act 28 of 2002 (MPRDA).

This first generation SLP is intended to commence in 2027 after granting of the production right. The Applicant has applied for a production right, which includes a request for a gas marketing period of up to five years after granting of the production right. During this period, efforts will be made to secure an anchor offtake for the Block11B/12B project. Once the offtake agreement is in place, a Final Investment Decision (FID) will be taken by the Applicant. Although FID may be reached at any point during the gas marketing period, for planning purposes it is currently anticipated that FID could be reached by the end of the second year after granting of the production right (i.e. by the end of 2028).

While the approval of the gas marketing period will suspend statutory obligations of the production right, the Applicant considers it important to begin contributing to community development as early as possible. Accordingly, the Applicant has committed to commencing implementation of the applicable section of the SLP from the first year after granting of the production right, despite the suspension the production right obligations during the gas marketing period. However, if FID is delayed for any reason, the Applicant may engage with PASA regarding the implementation of the SLP for the remainder of the gas marketing period.

**Accordingly, any reference to timeframes or amounts in this SLP, such as the period 2027–2031, should be understood as estimate dates based on current planning and may be subject to change.**

A summary of the preliminary financial commitments and projected expenditure for the SLP, based on current planning, is set out in the table below.

SLP Element	2027 (ZAR)	2028 (ZAR)	2029 (ZAR)	2030 (ZAR)	2031 (ZAR)	Total Financial Commitment (2027-2031) (ZAR)
HRD Programmes	-	-	6,556,370	9,147,475	8,096,155	<b>23,800,000</b>
LED Projects	750,000	750,000	7,493,333	12,383,333	14,883,333	<b>36,260,000</b>
Downscaling and Retrenchment Management Programmes	-	-	5,000	5,000	5,000	<b>15,000</b>
<b>TOTAL</b>	<b>750,000</b>	<b>750,000</b>	<b>14,054,703</b>	<b>21,535,808</b>	<b>22,984,488</b>	<b>60,075,000</b>

**Note:** The figures above reflect the Applicant's current planning assumptions. However, if FID is delayed for any reason, the Applicant may engage with PASA regarding the SLP implementation.

## Acronyms and abbreviations

Below a list of acronyms and abbreviations used in this report.

Acronyms / Abbreviations	Definition
AET	Adult Education and Training
ATR	Annual Training Report
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
CA	Competent Authority
CHIETA	Chemical Industries Education & Training Authority
DEL	Department of Employment and Labour
DMRE	Department of Mineral Resources and Energy
EAP	Economically Active Population
EEA	Employment Equity Act 55 of 1998
EIA	Environmental Impact Assessment
ESIA	Environmental and Social Impact Assessment
ETQA	Education Training Quality Assurance
FID	Final Investment Decision
GLM	George Local Municipality
GTL	Gas-to-liquid
HDP	Historically Disadvantaged Person
HRD	Human Resource Development
HRDP	Human Resources Development Programme
I&AP/s	Interested and affected party/ies
IDP	Integrated Development Plan
ICH	Intangible cultural heritage
IZOI	Immediate Zone of Influence
JV	Joint Venture
LED	Local Economic Development
LRA	Labour Relations Act 66 of 1995

<b>Acronyms / Abbreviations</b>	<b>Definition</b>
MBM	Mossel Bay Municipality
MPRDA	Mineral and Petroleum Resources Development Act 28 of 2002
NEMA	National Environmental Management Act 107 of 1998
NQF	National Qualifications Framework
OCGT	Open Cycle Gas Turbine
PASA	Petroleum Agency of South Africa
POB	Persons on board
QLFS	Quarterly Labour Force Survey
ROV	Remote operated vehicle
SDA	Skills Development Act 37 of 1998
SEIA	Socio-Economic Impact Analysis
SETA	Sector Education Training Authority
SIA	Social Impact Assessment
SLO	Site Liaison Officer
SLP	Social and Labour Plan
SMME/s	Small Medium Micro Enterprise/s
TEEPSA	TotalEnergies EP South Africa B.V.
WSP	Workplace Skills Plan



## Definitions

Unless otherwise indicated, terms used in this SLP are aligned with the following MPRDA and MPRD Regulations definitions:

Applicants	Main Street 1549 (Pty) Ltd.
Block	Any delimited onshore and offshore, including the seabed, identified as a block by co-ordinates on a map prepared by the designated agency and situated wholly or partly in the Republic or its exclusive economic zone and includes any part of such block.
Broad-Based Black Empowerment (B-BBEE)/BEE	<p>A social or economic strategy, plan, principle, approach or act, which is aimed at:</p> <p>Redressing the results of past or present discrimination based on race, gender or disability of historically disadvantaged persons in the minerals and petroleum industry, related industries and in the value chain of such industries; and</p> <p>Transforming such industries so as to assist in, provide for, initiate, facilitate or benefit from:</p> <p>Ownership participation in existing or future mining, prospecting, exploration or production operations;</p> <p>Participation in or control of management of such operations;</p> <p>Development of management, scientific, engineering or other skills of Historically Disadvantaged Persons (HDPs);</p> <p>Involvement of or participation in the procurement chains of operations;</p> <p>The ownership of and participation in the beneficiation of the proceeds of the operations or other upstream or downstream value chains in such industries;</p> <p>The socio-economic development of communities immediately hosting, affected by the of supplying labour to the operations; and</p> <p>The socio-economic development of all historically disadvantaged South Africans from the proceeds or activities of such operations.</p>

Community	<p>A group of persons with interest or rights in a particular area of land on which the members have or exercise communal rights in terms of an agreement, custom or law: Provided that, where as a consequence of the provisions of this Act, negotiations or consultations with the community is required, the community shall include the members or part of the community directly affect by <i>[production activities]</i> on land occupied by such members or part of the community.</p> <p>See related definition for host community provided below.</p>
Employee	<p>Any person who works for the owner of a reconnaissance permission/permit, prospecting right, mining right, mining permit, technical cooperation permit, exploration right and production right, and who is entitled to receive any remuneration and includes person working at or in a <i>[production operation]</i> for an independent contractor.</p>
Historically Disadvantaged Person (HDP)	<p>Any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1996 took effect <i>[27 April 1994]</i>;</p> <p>Any association, a majority of whose members are persons contemplated in paragraph (a); and</p> <p>A juristic person, other than an association, which</p> <p>Is managed and controlled by a person contemplated in paragraph (a) and that the persons collectively or as a group own and control a majority of the issued capital or members' interest and are able to control a majority of the members votes.; or</p> <p>Is a subsidiary, defined in Section 1(e) of the Companies Act, 1973, as a juristic person who is a historically disadvantaged person by virtue of the provisions of paragraph (c)(i) <i>[i.e. persons who own and control a majority of the issued capital or members' interest and are able to control a majority of the members votes]</i>.</p>
Host community	<p>Communities around with <i>[the production operation and related activities]</i> takes place, major labour sending areas, adjacent communities within a local municipality, metropolitan municipality or district municipality.</p>

Integrated Development Plan (IDP)	A plan aimed at the integrated development and management of a municipal area as contemplated in the Municipal Structures Act 117 of 1998; and for the purposes of this SLP, IDP is taken to mean the IDP for all those municipalities falling within the determined [ <i>production operation</i> ] community from which more than 10% (the significance factor) of the determined [ <i>production operation</i> ]'s labour is sourced.
Municipality	A local municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls and which is described in Section 155 (1) of the Constitution as a Category B municipality.
Operator	The enterprise or company appointed by the Applicant to carry out the operations of Block 11B/12B on its behalf.
Production operation	Any operation, activity or matter that relates to the exploration, appraisal, development and production of petroleum.
Youth <sup>3</sup>	South African citizens between the ages of 14 to 35 based on national or provincial demographics.

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<sup>3</sup> As defined in section 1 of the National Youth Development Agency Act 54 of 2008.



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# 01 - Introduction and preamble

## 1.1 Introduction

Main Street 1549 (Pty) Ltd (Main Street), together with its Joint Venture (JV) Partners, CNR International (South Africa) Limited, Qatar Energy International E&P and TotalEnergies EP South Africa (TEEPSA), held an Exploration Right (Production Right Ref. No.: 12/4/13 ) over Block 11B/12B. Under the exploration right various exploration activities were undertaken including seismic surveys and exploration well drilling.

In 2019 and 2020, the JV discovered gas and associated condensates in Block 11B/12B through the successful drilling of two wells, Brulpadda-1AX and Luiperd-1X. Both discoveries are located in what is known as the “Paddavissie Fairway,” a large turbiditic reservoir fairway clearly imaged on 3D seismic data and situated in the southwestern part of the block, adjacent to The Petroleum Oil and Gas Corporation of South Africa’s (PetroSA’s) Block 9. The Paddavissie Fairway contains several large three-way closures with strong amplitude variation with offset seismic anomalies, all of which display conformance to structure. Seismic modelling of the log data from the discovery wells confirmed that the amplitude variation with offset signatures observed on the seismic data are indeed caused by the presence of light hydrocarbons. In other words, the seismic data can be used as a ‘direct hydrocarbon indicator’. This finding de-risked the remaining prospects in the Paddavissie Fairway and also helped to de-risk another reservoir fairway in the eastern part of Block 11B/12B called the “Kloofpadda Fairway.”

The JV considered several development scenarios, taking into account the existing and potential future domestic gas market. The closest existing domestic gas market is the PetroSA-owned gas-to-liquid (GTL) plant in Mossel Bay. Until recently, this plant produced clean synthetic liquid fuels from indigenous offshore gas and condensate fields in Block 9, which were tied to the offshore FA-Platform and export pipelines to shore. However, with the depletion of the Block 9 gas and condensate feedstock, this large industrial GTL plant has been rendered inactive awaiting new feedstock supplies, failing which it will ultimately need to be decommissioned.

The Eskom open cycle gas turbine (OCGT) power plant adjacent to the PetroSA GTL plant and the privately owned OCGT power plant at Gqeberha, currently operate on diesel fuel. These could be converted to run on natural gas. Furthermore, there are future plans for new combined cycle gas turbine power plants which aim to tackle South Africa’s energy challenges, diversify the energy mix, and reduce the country’s heavy reliance on baseload coal power and imported fuels.

In September 2022, the JV Partners submitted an application for a production right to allow for the development and production of the gas and condensate resources through several potential development phases:

**Phase 1: Luiperd Early Production System:** This phase involves linking the Luiperd Field to the existing FA-Platform with a new pipeline and delivering gas and condensate from the FA-Platform through the existing pipeline to Mossel Bay.

**Phase 2:** As the gas market grows, additional gas and condensate from the Luiperd and Brulpadda Fields, as well as the low-risk Blaasop prospective resources, will be developed with new offshore production facilities and additional pipelines from the Paddavissie Fairway to the shore.

**Phase 3a:** Depending on the evolution of the gas market, additional low-risk prospective resources in the Paddavissie Fairway could be developed (Woudboom and Platanna prospects).

**Phase 3b:** The eastern area, known as the “Kloofpadda Fairway,” also contains large prospective resources in the Mospadda and Rubberpadda structures. Depending on the success of exploration and appraisal activities and future demand, these resources could be developed at a later stage.

The production right application includes a request for the five-year gas market development period. During this period, the production right holder’s obligations under the production right commitments (which will include the SLP) in respect of such production right are suspended for a period of up to five years. During this period the Holder shall conduct various technical and commercial studies to determine whether the gas can be commercially produced. In such circumstances the production right commitments in respect of such production right shall be deemed to be provisional.

Following the resignation of TEEPSA and the other JV partners, Main Street, as the new Applicant of Block 11B/12B, proposes that the following activities may be required as part of the Phase-1 development studies during the gas market development period:

- Bathymetry and sonar surveys;
- Seafloor sampling surveys;
- Metocean surveys; and
- Remote operated vehicle (ROV) surveys.

The purpose of these activities is to assess the metocean, benthic, geotechnical, and geophysical conditions in the area, and to refine the potential location of the wells, subsea infrastructure, and the route and installation method for the production pipeline. More detail is provided below regarding each of the activities proposed:

- **Bathymetry and Sonar Surveys:** Bathymetric surveys will employ multi-beam or single-beam echosounders to produce detailed three-dimensional maps of the seabed. Side-scan sonar and sub-bottom profiler may also be utilised to create high-resolution images of the seafloor and underlying layers, helping to identify sediment types, underwater structures, and any obstacles. These surveys are critical for understanding the depth variations and seafloor morphology, which influence the design and installation of subsea infrastructure, including pipelines, umbilicals, manifolds and wellheads.
- **Seafloor Sampling Surveys:** These surveys will involve the collection of physical samples from the seabed to analyse sediment composition, grain size distribution, and other geotechnical properties. Techniques such as grab sampling, drop coring, box coring, or vibro-coring may be employed to retrieve sediment samples from various depths beneath the seafloor. The collected samples will undergo laboratory testing to

determine their mechanical properties, such as shear strength, density, and compressibility. This information is essential for assessing the seabed's stability and suitability for supporting subsea structures, as well as for understanding the environmental conditions that could affect construction activities.

- **Metoccean Surveys:** Metoccean surveys focus on collecting data about the marine environment, including meteorological and oceanographic conditions. These surveys will measure parameters such as wave heights, wave periods, tidal currents, sea water temperatures, wind speeds, and directions. Instruments like Acoustic Doppler Current Profilers, wave buoys, and meteorological stations may be deployed to gather real-time data. This information is crucial for the design and operational planning of offshore facilities, as it provides insight into the dynamic conditions that the infrastructure will need to withstand. Understanding metoccean conditions is particularly important for determining the safe operational and installation limits of the subsea systems including pipelines, umbilicals, manifolds and wellheads.
- **ROV Surveys:** ROV surveys will be conducted to obtain high-resolution visual and video documentation of the seafloor and existing subsea infrastructure. ROVs are equipped with cameras, sonar, and various sensors to capture detailed images and gather data on the condition of the seafloor, identify benthic habitats, and inspect potential pipeline routes. These vehicles can operate at significant depths and are capable of navigating complex underwater terrains. ROV surveys are essential for identifying any ecological sensitivities, potential hazards, and the precise locations for installing subsea equipment. They also allow for real-time monitoring and adjustments during the planning and execution of construction activities.

The location, feasibility, and cost of laying a pipeline from the harsh metoccean, deep-water field area, up the complex slope, and across the potentially undulating, ecologically diverse, and rocky shelf edge is deemed crucial to the studies to determine whether the gas can be commercially produced.

#### **1.1.1 Submission of a Social and Labour Plan**

The SLP document is required to be submitted with the production right application (in terms of Section 34(2)(j) of the MPRDA). The SLP includes the following elements:

1. human resource development (e.g. employee skills development, learnerships, bursaries, internships, adult education and training, portable skills training, employment equity);
2. community development (e.g. through development projects that address the needs of project affected communities);
3. employee housing and living conditions;
4. procurement; supplier and enterprise development; and
5. downscaling and retrenchment.

Subject to approval by the regulatory authority, the SLP will be valid for the duration of the life of the production operation. The approved SLP must be reviewed and updated every five years. The first SLP (version 1) was submitted to PASA on 5 September 2022 and focused



on the first five years of the operation. A revised version (version 2) was submitted in December 2023, after consultation with local communities.

This document (version 3) takes into account the change in the ownership structure following the withdrawal of three of the JV Partners and the phased approach that the Applicant is now following. Further review and changes will be made in response to comments identified through further stakeholder engagement and authorities' approval requirements. If FID is delayed for any reason, the Applicant may engage with PASA regarding the SLP implementation.

In terms of the MPRD Regulations, specific consultation on a proposed new; existing; or reviewed SLP is required. For example, prior to granting of a production right, directly affected communities and other interested and affected persons (I&APs) must be afforded an opportunity to comment on the contents of a proposed SLP to ensure that it is aligned with local municipality Integrated Development Planning (IDP) needs. Once approved, the SLP must be published in the prescribed manner (within 30 days of approval) and reported on annually. During the annual reporting process, the right holder must convene a minimum of three meetings per annum with communities and I&APs to provide an update on progress made with the implementation of the approved SLP. The outcomes of these meetings must form part of the annual report submitted to the Competent Authority. Compliance with commitments detailed in an approved SLP is a legal requirement and a condition of a production right.

### **1.1.2 Oil & gas lifecycle and SLP duration**

This first generation SLP is intended to commence in 2027 after granting of the production right, estimated to be end of 2026. The Applicant has applied for a production right, which includes a request for a gas marketing period of up to five years after granting of the production right. During this period, efforts will be made to secure an anchor offtake for the Block11B/12B project. Once the offtake agreement is in place, a Final Investment Decision (FID) will be taken by the Applicant. Although FID may be reached at any point during the gas marketing period, for planning purposes it is currently anticipated that FID could be reached by the end of the second year after granting of the production right (i.e. by the end of 2028).

While the approval of the gas marketing period will suspend statutory obligations of the production right, the Applicant considers it important to begin contributing to community development as early as possible. Accordingly, the Applicant has committed to commencing implementation of the SLP from the first year after granting of the production right, despite the suspension of formal obligations during the gas marketing period. However, if FID is delayed for any reason, the Applicant may engage with PASA regarding SLP implementation.

**Accordingly, any reference to timeframes or amounts in this SLP, such as the period 2027–2031, should be understood as estimates based on current planning and may be subject to change.**

Figure 2 below provides a graphic representation of the key Block 11B/12B project milestones and estimated dates.

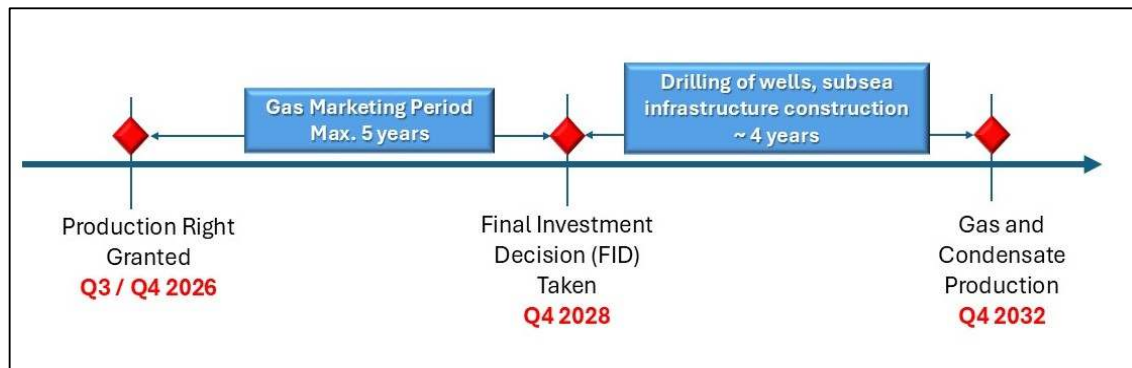


Figure 1: Block 11B/12B milestones and estimated dates

### 1.1.3 Overview of the zones of influence identified

As part of the studies conducted for the 2022 production right application, zones of influence were identified, including the Immediate Zone of Influence (IZOI) and the primary, secondary, and tertiary study areas. These studies went beyond the proposed gas market development phase, considering and assessing additional phases of the Oil & Gas life cycle, as illustrated in Figure 2.



Figure 2: Oil & Gas project lifecycle: key phases, timelines, and enabling conditions

Consequently, the description below reflects a full-field development scenario. These areas are described as follows:<sup>4</sup>

<sup>4</sup> Economic Impact Assessment, TEEPSA Offshore Production Block 11B/12B, Urban-Econ Development Economists (Pty) Ltd (September 2023) (Urban-Econ 2023) 27.

- **IZOI:** The IZOI comprises the areas where most of the development and production-related activities will occur. The IZOI is the area that will supply auxiliary services to offshore activities, including accommodation, catering, and transport. The IZOI encompasses the Mossel Bay, George, and Knysna local municipal areas.
- **Primary study area:** The primary study area encompasses towns close to the shore that can accommodate marine servicing and manufacturing industries to supply goods and services required during the development and operations phases of the project. Such towns include Cape Town, Gqeberha, Saldanha Bay, and East London. Thus, the primary study area for the economic impact assessment was delineated as the stretch of land along the Indian and Atlantic Oceans between Saldanha Bay and East London.
- **Secondary study area:** The secondary study for the economic impact assessment area includes the provinces in which the IZOI and primary study area are located, namely the Western Cape and the Eastern Cape. While the production activities of the project are within the Western Cape, the proximity to the Eastern Cape may lead to this province benefitting from the initiative through the procurement of goods and services.
- **Tertiary study area:** The rest of South Africa is seen as the tertiary study area for the economic impact assessment, not only due to potential procurement benefits but also through the potential downstream impacts of an increase in local gas production on the national economy.

In line with the above, this SLP will focus on the specific municipalities for the various elements of the SLP outlined in Table 1.

Table 1: SLP1 target municipalities

Province	District/ Metropolitan Municipality	Local Municipality	LED	HRD
Western Cape	Garden Route	Hessequa		X
Western Cape	Garden Route	Mossel Bay	X	X
Western Cape	Garden Route	George	X	X
Western Cape	Garden Route	Knysna		X
Western Cape	Garden Route	Bitou		X
Eastern Cape	Sarah Baartman	Kou-Kamma		X
Eastern Cape	Sarah Baartman	Kouga		X
Eastern Cape	Nelson Mandela Bay			X

## 1.2 Preamble

As per the requirement of Regulation 46(a) of the MPRD Regulations, Table 2 provides the background information for the proposed production operation.

*Table 2: Preamble*

Item	Explanation
Name of the company/applicants	Main Street 1549 (Pty) Ltd Registration number: 2017/252494/07
Name of production operation	Offshore Block 11B/12B Development
Physical address	12/4/13 PR - Block 11B/12B, offshore South Africa Office address: Unit G05 Century Gate Office Park, cnr Bosmansdam Road & Century Way Century City, 7441, Cape Town, SOUTH AFRICA
Postal address	Office address: Unit G05 Century Gate Office Park, cnr Bosmansdam Road & Century Way Century City, 7441, Cape Town, SOUTH AFRICA
Telephone number	021 481 7560
Location of production operation	See Figure 3
Commodity	Gas with light condensate
Life of production operation	Based on current yield estimates, the gas production plateau is expected to last up to 20 years for a production period of 25 years.
Financial year	31 December
Reporting year	By 31 <sup>st</sup> March of each year for the year ending 31 December
Responsible person	Mr. Rob Nicolella Main Street
Geographic origin of employees (local community and labour sending areas)	See section 0 below.

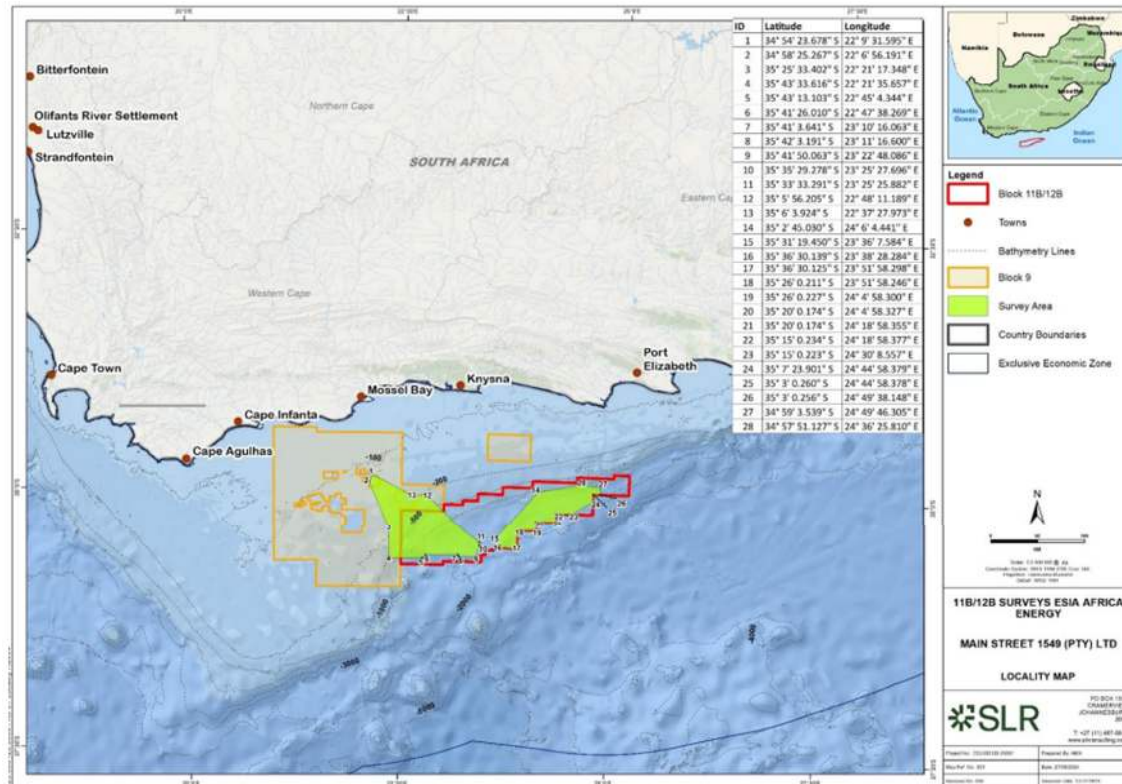


Figure 3: Location of production operation

### 1.3 Size and composition of the workforce (including contractor workforce)

The anticipated workforce required for the construction and production phase cannot be quantified at this stage. The Applicant is committed to the empowerment of local communities throughout the project life cycle. The focus will be around the employment of suitably qualified persons from the target communities (Table 1), Western Cape and South Africa. International candidates will be considered for hard to fill and scarce skills vacancies in line with the Immigration Act of 2002 and the relevant skills transfer plan.

No employees are planned for the period of this SLP. Once FID has been taken and an Operator appointed, this Operator will update the workforce in line with their planning. Information regarding the Operator's workforce will be updated within six months after commencement of employment of the operational phase workforce. The information will include a list of labour-sending towns for the Operator's employees.

## 02 - Human Resources Development Programme

### 2.1 Introduction

The Applicant is committed to implementing a Human Resource Development Programme that contributes to the wellbeing of communities, advances social and economic development and contributes to job creation and skills development.

The primary focus of the Human Resources Development programme (HRDP) is to promote the wellbeing of the communities and to ensure that the workforce acquires the appropriate skills.

The Applicant aims to implement a multipronged HRDP, within the immediate communities in the primary focus areas of the Block 11B/12B project (see section 1.1.4), particularly those from local municipalities within the Garden Route District Municipality and the Sarah Baartman District Municipality. These municipalities include Hessequa, Mossel Bay, George, Knysna, Bitou, Kou-Kamma and Kouga Local Municipalities as well as the Nelson Mandela Bay Metropolitan Municipality.

The Applicant's Human Resource Development (HRD) strategy is underpinned by the successful implementation of skills development programmes in the following areas:

- Adult Education and Training (AET).
- Core skills training.
- Learnerships.
- Bursaries.
- Internships.
- Mentorship Programmes

**As outlined in Table 1, this first Block11B/12B SLP will target specific municipalities for the various elements of the SLP. The Applicant has made provision in this SLP for skills development, including adult education and training, portable skills training, learnerships, bursaries and internships that will be extended to community members in various municipalities within the IZOI and primary study areas. Although approval of the gas marketing period (see section 1.1.2) suspends statutory obligations of the production right, the Applicant considers it important to begin contributing to community development as early as possible by making these benefits available to local community members prior to any legal obligation to do so.**

### 2.2 Compliance with skills development legislation

The Applicant is committed to implementing a SLP that complies with the Skills Development Act 97 of 1998 (SDA). The Applicant will appoint a Skills Development Facilitator (SDF) who is registered with the training authority within six months after commencement of employment of the operational phase workforce.



## 2.3 Overview of human resources development programmes

The Applicant's Human Resource Development (HRD) strategy is underpinned by the successful implementation of its skills development programme.

The Applicant believes that apart from developing employees, HRD will play an essential role in the following areas:

- Ensuring that operational changes are adopted in a proactive manner.
- Keeping productivity at optimal levels.
- Having value-add employees as part of the workforce and contributing to the production operation's performance.
- Providing employees with the opportunity to develop for current requirements as well as for future changes.
- Ensuring Skills Development supports and promotes portability and employability.
- The acquisition of skills promotes portability from one environment to another and through this sustains the employability of the workforce.
- The support of initiatives for employees are formalized in programmes such as coaching and/or mentorship.
- Developing and growing skills within the communities that are affected by the project which will provide a potential supply of future skills for the company and/or for the upliftment of the surrounding communities and their economy.

The Applicant is committed to ensuring that its partners and contractors engaged in the project submit a Skills Development Plan specific for their area of operation. The workforce planning process adopted by the Applicant is an important element in the identification of the skills and competencies that are required for the production operation to meet its production targets.

## 2.4 Individual Development Plans (Career Progression Plans)

The Applicant will endeavour to implement career development plans and career progression paths that are specific to the required disciplines and operational area. Career clusters will be determined and defined based on the core business activities. In terms of our multipronged employment regime, the Applicant will place a strong emphasis on local business and develop previously disadvantaged persons in the targeted communities.

*The Applicant is unable to provide information on the career paths that will exist, including the minimum entry level requirements for all positions, at this stage. Progress with implementation of the career management programme will be reported in the annual SLP Report.*

The Applicant is committed to implementing a career management programme based on the following objectives:

- The Career Management programme will support the development of current and future skills.



- Employees will actively participate in the process and know where their careers are headed and what is required to acquire the necessary competencies in relation to their current and potential future positions.
- Enhance communication between employees and management in that discussions will be held that clearly outlines job requirements and responsibilities.
- The process will allow an opportunity to provide organisational career information; support process and resources required including encouraging on-the-job experience, training, education, and mentoring.
- A stringent record system will be created that will provide accurate and value add information in terms of employee development and progress thereof.
- Continuous updating of the career plans will take place when specific goals have been reached or when promotions take place and fed back into the record system.

The Applicant will develop a career management policy to ensure that the organisation has the necessary skills to execute its strategy and operations. This will include:

- A fair and transparent career management process.
- Equal opportunity for each employee to meet his/her full potential.
- The best possible solution/ outcome between the Company's needs and individual career aspirations.

Emphasis will be placed on HDP employees who have been identified based on the assessment of potential to move into management positions and on women in core and critical skills.

The progress of the implementation of the career management system will be reported in the annual SLP Report.

In addition, all training and development will seek to address hard-to-fill vacancies. Form R reflecting hard-to-fill vacancies will be submitted within six months after commencement of employment of the operational phase workforce.

The Applicant has noted that there may be unanticipated skills shortages due to the fact that the South African Oil and Gas Industry is not fully developed.

## **2.5 Skills Development Plan**

The Applicant is committed to drafting a skills development plan which will be submitted annually to the relevant Sector Education Training Authority (SETA) in the form of a Workplace Skills Plan/Annual Training Report (WSP/ATR) in line with the Skills Development Act 97 of 1998 (SDA).

The skills development plan will be based on the information obtained from the career management process by:

- Recruiting, integrating, developing and retaining talents, competencies and expertise and ensuring successful transfer of knowledge between job holders.

- Develop talents by:
  - Implementing clear career paths that encourage functional and geographical mobility.
  - Developing technical, managerial and behavioural competencies, expertise and entrepreneurship.
  - Job shadowing.
  - Job learning.

Training and development initiatives will therefore be in line with the manpower plan in that it will support internal skills development and support employees where possible promotion opportunities have been identified.

Once the recruitment of staff begins, manpower plans and skills development targets will be set. Updated information will be provided for both the Applicant and contractor personnel within six months after commencement of employment of the operational phase workforce. Thereafter it will be updated in the annual SLP Report.

### 2.5.1 Functional literacy and numeracy

According to information available (see Figure 5) 26.0% of the adult population in the IZOI and 20.4% of the adult population in the primary study area have received schooling up to and including Grade 7 level. Only 12.2% (IZOI) and 10.0% (primary study area) respectively have received some primary schooling while 9.1% (IZOI) and 6.1% (primary study area) have no schooling at all. According to the Quarterly Labour Force Survey (QLFS) Q1: 2025 the official unemployment rate in the Western Cape is 19.6%.<sup>5</sup> This is lower than the national average official rate of 32.9%. The Applicant's policy will be to encourage recruitment from the local communities wherever possible. However, literacy levels among the local community may prove to be an obstacle to this. Currently, it is not possible to ascertain the extent of overlap between the education levels and unemployment rates.

Nonetheless, Adult Education and Training (AET) development will be a key focus area for the Applicant. AET provides the foundation for any further development. The AET programme will therefore be included in the employees' career and progression plans, where necessary, as a starting point and will be available to all employees who, as a result of a skills analysis process undertaken at the recruitment phase, are indicated as having literacy levels below AET level 4.

**Error! Reference source not found.**Currently, the Applicant does not have any staff. Within six months after commencement of employment of the operational phase workforce, Form Q – Highest level of education, will be provided for employees of the Operator and any contractors. This information will be updated annually in the SLP report.

The following key principles will apply:

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<sup>5</sup> Statistics South Africa (Stats SA) P0211 Quarterly Labour Force Survey (Q1:2025) [https://www.statssa.gov.za/?page\\_id=1854&PPN=P0211&SCH=74050](https://www.statssa.gov.za/?page_id=1854&PPN=P0211&SCH=74050) (accessed 14 May 2025).

- AET programmes will form the foundation for further development of the Operator's employees and contractor's personnel, where required, particularly for HDPs who have the potential to be developed into skilled and management positions and for women to be moved into core production positions and for community members.
- AET programmes will be run by accredited facilitators and programmes will be accredited in line with the National Qualifications Framework (NQF) for fundamental areas of language and mathematics.
- the Applicant will budget for AET training for community, giving priority to:
  - Community members with no literacy skills.
  - Community members who need literacy training to obtain employment.
  - Community members who display potential and who can be earmarked for further development.
- The AET programme will include the four levels of training. However, this will be dependent on the results obtained from the skills analysis and where the need is identified.
  - AET level 1: Mother tongue.
  - AET level 2: Literacy, Numeracy and Communication.
  - AET level 3: Advanced Literacy, Numeracy and Communication.
  - AET level 4: Communication, Natural Science and Mathematics.

Table 3 below sets out the planned AET training to be provided by the Applicant for community.

*Table 3: Planned AET training for community*

Full-time AET	Targets and Timelines					
	2027	2028	2029	2030	2031	5-year target
AET	0	0	15	35	50	100
<b>Total Number</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>35</b>	<b>50</b>	<b>100</b>

**Notes:**

- The figures above reflect the total number of AET training candidates planned per annum and not new intake per annum.
- The figures above reflect the Applicant's current planning assumptions. However, if FID is delayed for any reason, the Applicant may engage with PASA regarding the SLP implementation.

## 2.5.2 Core skills training

The determination of the core skills development programmes to be put in place is a function of the skills and competency requirements of the employee's planned jobs in terms of the career path structure and skills gaps to be identified through the career management process and/or a skills analysis process. The career paths discussed in Section 2.4 will identify the minimum requirements and experience for each position. This will serve as a framework for

planning any training and development initiatives that should be put in place to support promotion in terms of the workforce plan.

A further objective of the skills development process is to provide marketable skills that will serve the employee beyond her/his employment at the production operation as discussed in Section 2.5.3. In this respect the skills training should be portable outside of the gas and petroleum sector to other industry sectors. The issue of skills portability is discussed further in Section 2.5.3.

Once the recruitment of the workforce commences, individual-specific training will be planned based on the outcomes of career progression paths and individual career progression plans developed therefrom (see Section 2.4). A programme for the provision of Core Skills training will be provided to PASA within six months after commencement of employment of the operational phase workforce. Progress by the Operator and the core contractor/s in the provision of skills development programmes and core skills training will be reported on an annual basis in the ATR submitted to the relevant SETA and the annual SLP Report.

For the purpose of this SLP, core skills training opportunities will be made available to local community members. The focus of core skills training will be as follows:

- Technical skills.
- Engineering skills.
- Health, safety and environmental skills.
- Management skills.
- Relevant marine skills.

Table 4 below sets out the planned core skills training for community.

Table 4: Planned core skills training for community

	Targets and Timelines					
	2027	2028	2029	2030	2031	5-year target
Core Skills Training	0	0	5	11	12	28
<b>Total Number</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>11</b>	<b>12</b>	<b>28</b>

**Notes:**

- The figures above reflect the total number of core skills candidates planned per annum and not new intake per annum.
- The figures above reflect the Applicant's current planning assumptions. . However, if FID is delayed for any reason, the Applicant may engage with PASA regarding the SLP implementation.

### 2.5.3 Portable skills

The Applicant is committed to a skills development strategy, which promotes portability of skills for the future, but also, as a primary objective, ensures that the Applicant and its core contractors meet the operational requirements.

An additional focus of the skills development initiatives anticipated in Section 2.5.2 is to provide skills that can be utilized not only in the formal sector but also in the informal sector. This will

become the focus of the production operation closer to the end of the life of the operation when they will be allocated funding and will be further explored during the Future Forum discussion.

To support implementation of portable skills training initiatives, the following specific principles will apply:

- Training and development will be outcomes-based and, where possible, linked to the achievement of unit standards and/or a formal qualification.
- Qualifications must be recognized nationally.
- AET development programmes will be a focus of the Applicant and continuous motivation will take place for employees and community members to uplift their foundational literacy levels, where required.
- The skills provided will support the notion of enabling employees to remain economically active following a retrenchment/downscaling exercise or if the operation closes down.
- Socially responsible retrenchment support will include additional training and development opportunities, aligned with identified skills needs within the source labour-sending areas and/or the local communities surrounding the operation.
- Support initiatives to provide community members within the immediate and primary zones of influence with marketable skills.

The progress of the implementation of portable skills, being part of the skills development strategy, will be reported in the annual SLP Report.

Table 5 below sets out the planned portable skills training for community.

Table 5: Planned portable skills training for community

	Targets and Timelines					
	2027	2028	2029	2030	2031	5-year target
Portable Skills Training	0	0	20	45	65	130
<b>Total Number</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>45</b>	<b>65</b>	<b>130</b>

**Notes:**

- The figures above reflect the total number of portable skills candidates planned per annum and not new intake per annum.
- The figures above reflect the Applicant's current planning assumptions. . However, if FID is delayed for any reason, the Applicant may engage with PASA regarding the SLP implementation.

## 2.5.4 Learnerships

Learnership programmes will play an important role as part of the Applicant's skills development plan. These programmes will focus predominantly on community members from the identified municipalities in the IZOI, primary and secondary study areas and will allow them to complete relevant qualifications that are accredited and aligned with the NQF and that incorporate a balanced combination of structured practical work experience and structured theoretical training.

The learnership programmes to be introduced by the Applicant will be in line with relevant SETA specifications.

The learnership programme implementation for the Applicant, the Operator and its contractors will be guided and based on the following principles:

- Learnerships will be aimed at addressing critical and scarce skills (specifically those for which the Operator and its contractors struggle to find suitable candidates).
- Effective support mechanisms, including structured coaching and mentorship programmes, will be implemented to guide the learner through the process.
- Learnership programmes will be implemented in accordance with the requirements outlined in the learnership agreement and the SETA Education Training Quality Assurance (ETQA) standards.
- Learnership progress will be reported on an annual basis in the ATR and in the annual SLP Report.

The Applicant will focus on engaging unemployed individuals by enrolling them in learnership programmes. The purpose of this approach is to alleviate skills shortages and unemployment, support national strategies to reduce unemployment, and, where appropriate, create a pool of available labour for the Operator and its contractors. The Operator will investigate and, where possible, utilize grants from the relevant SETA to fund the learnership programmes.

Based on the nature of the jobs that will be required at the production operation, it is possible that learnerships could be offered in the following fields:

- Boilermakers.
- Electricians.
- Fitters.
- Welders.
- Instrument mechanics.
- Riggers.
- Roustabouts.
- Environment, Health & Safety, Hygiene Officers.
- Marine crews.
- Cooks / Chefs.
- Stores / Logistics.

The actual learnerships, the specific numbers and the timing and durations can only finally be determined once the Operator and core contractors have been appointed and they have undertaken their manpower planning exercises. This information will be provided to PASA within six months after commencement of employment of the operational phase workforce.

Table 6 below sets out the planned learnerships to be offered to community members.

Table 6: Planned learnerships for community

	Targets and Timelines					
	2027	2028	2029	2030	2031	5-year target
Learnerships	0	0	1	1	2	4
<b>Total Number</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>4</b>

**Notes:**

- The figures above reflect the total number of learnerships planned per annum and not new intake per annum
- The figures above reflect the Applicant's current planning assumptions. . However, if FID is delayed for any reason, the Applicant may engage with PASA regarding the SLP implementation.

### 2.5.5 Internship and bursary plans

The Applicant recognizes that internships and bursaries will assist the production operation in achieving the skills and competencies required by the manpower plans to be developed. It will form an essential component of the Applicant's plan to achieve its objectives and contribute to the following areas:

- **HDP targets:** Supports the achievement of HDP targets and targets for women in core and critical skills.
- **Vacancy placements:** Become a substitute to permanent placements in areas where there are hard-to-fill vacancies and provide potential successors for management positions.
- **Work related experience:** Provides work related experience specifically through internships which prepares learners for the world of work.
- **Potential identification:** Allows the identification of potential at an early stage so that this can be nurtured to support future skills requirements.
- **Learning opportunities:** Support initiatives to make the sector more competitive and representative of South Africa's demographics by providing learning opportunities to previously disadvantaged individuals.
- **Value-add learners:** Employees/learners recognize that the business is committed to their development and as a result are more likely to make a value-added contribution.
- **Value chain exposure:** Provide students with an opportunity to gain exposure to the production operation's full value chain process and allow greater flexibility in terms of later placement at the operation.

The Applicant is committed to bursary and internship programmes based on the principles outlined below.

#### **Bursaries**

- Bursaries will be available both to internal and external candidates.
- Bursaries will be awarded to students with the potential to succeed.



- External bursary students will preferably be selected from the local communities who will be informed of the availability of such bursaries through a variety of communication structures including local community structures, tertiary institutions and advertisements in the local press.
- The Operator will liaise and work closely with local Universities and Universities of Technology to identify top students.
- The liaison with these institutions would also be to ensure the training provided meets business requirements.
- Bursary funding will be inclusive of the costs of finance to meet enrolment fees and study costs.
- Students will be required to pass all their subjects to keep the bursary provided. However special circumstances may be considered at times.
- Mentors will play an extensive role in the development of bursary students. Mentoring will take place while the student is at the tertiary institution or doing vocational work at the operation.

It is anticipated that bursaries will focus on, but not be limited to, the following fields:

- Engineering.
- Chemistry.
- Control systems.
- Financial, People and supporting fields
- Renewable Energy skills.
- Environmental health and Social Sciences.

Table 7 sets out the planned bursaries to be offered to community members.

Table 7: Planned bursaries for community

	Targets and Timelines					
	2027	2028	2029	2030	2031	5-year target
Bursaries	0	0	4	4	4	12
<b>Total Number</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>12</b>

**Notes:**

- The figures above reflect the total number of bursaries planned per annum and not new intake per annum.
- The figures above reflect the Applicant's current planning assumptions. . However, if FID is delayed for any reason, the Applicant may engage with PASA regarding the SLP implementation.

**Internships**

- Internships will offer high quality, structured practical work experience directly linked to fields of study.

- The manpower plan will be the key driver in terms of which positions will be allocated internships based on:
  - Hard-to-fill vacancies.
  - Core and critical skills.
- Interns will be mentored during their in-service training.
- Internship programmes will be designed to ensure a logical sequence, build on skills and competencies acquired during the formal study but contribute to supporting the Operator's operational requirements.

Table 8 sets out the planned internships to be offered to community members.

Table 8: Planned internships for community

	Targets and Timelines					
	2027	2028	2029	2030	2031	5-year target
Internships	0	0	1	1	2	4
<b>Total Number</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>

**Notes:**

- The figures above reflect the total number of internships planned per annum and not new intake per annum
- The figures above reflect the Applicant's current planning assumptions. . However, if FID is delayed for any reason, the Applicant may engage with PASA regarding the SLP implementation.

## 2.6 Mentorship

Mentorship programmes are integral to ensuring the success of the career development process.

The aim of mentorship is to improve the competencies (knowledge, skills and attitude) of employees to meet the current and future demands of the job. The Mentorship programme will assist and support employees to manage their own learning, maximize their potential, develop their skills and improve their performance.

While there is a great deal of similarity between the roles of a coach and a mentor, the Operator sees the role of a coach as requiring greater involvement in terms of the employee/learners' day-to-day activities. The coach will in most instances be a subject-matter expert who acts as a facilitator that listens, asks questions and guides the employee in the process of self-discovery towards the correct solutions.

The implementation of coaching will be guided by the following principles:

- Coaches will be selected on the basis of their subject matter expertise.
- Coaches will in most instances either be the employee/learner's direct manager or supervisor.
- They will actively be involved in employee's day-to-day activities and through this, follow an interactive and developmental approach.

The objective of coaching is to instil greater confidence and performance on the part of the employee, supporting a learning culture.

Mentorship programme implementation will be guided by the following principles:

- Mentors will be selected based on their experience and interest in developing employees; they will pass their experience on to less experienced individuals.
- It will be focused on developing competencies that meet current needs but also future requirements.
- It will contribute to supporting employees in their own development; lead them to a realization and achievement of their potential.
- It will lead to improving competencies and performance as employees/learners grow into new roles.

Coaches will be assigned to all learners based on the Operator's skills development process while mentors will be assigned to those learners on bursary programmes, internships, experiential training and learnerships. In addition, mentors will be assigned to employees who have been identified for development in line with the career management process as well as the Employment Equity Plan.

Because the production operation is only in the planning phase and core contractors have not been appointed, targets and numbers with regard to mentors and coaches for the various learning initiative categories cannot be set down. However, the Applicant undertakes to prepare a mentorship and coaching programme targeted at employees within six months after commencement of employment of the operational phase workforce. By this date, the Applicant will provide a plan to PASA indicating targets over a five-year period. Reporting on these targets will take place on an annual basis in the annual SLP Report.

## **2.7 Employment Equity Plans**

The Applicant is committed to adhering to the requirements of the Employment Equity Act 55 of 1998 as amended (EEA) and the PASA requirements to be guided by the Mining Charter targets for employment equity.<sup>6</sup> The company embraces the fact that the achievement of these requirements can only be realized with pro-active interventions.

The Applicant is committed to creating a culture of equity and building upon the strengths that diversity brings. To achieve this, the Applicant will strive to:

- Eliminate unfair discrimination within the company.
- Ensure that the company is recognized as an equal opportunities' employer.

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<sup>6</sup> Broad-based socio-economic empowerment charter for the mining and minerals industry, 2018 GN 1002 published in GG 41934 of 27 September 2018 (as amended) (Mining Charter).

- Establish representation of designated groups in all occupational levels of the production operation.
- Integrate the production operation's equity initiatives with the terms of the Skills Development Act, as far as is practically possible.
- Increase the number of women as well as other HDPs in management positions.

The principles that the Applicant will follow to achieve the above are:

- A commitment to applying principles of diversity and inclusion at all stages of recruitment and selection, following fair and inclusive processes and recruiting the person who is most skilled for the job.
- Endeavouring to secure a diverse shortlist for all vacancies. Shortlisting, interviewing and selection will always be carried out in terms of the employment equity requirements (including disability), with respect for diversity, fair and equal treatment of applicants and ethical decision making.
- Strategies to attract and retain HDPs (including women) will be developed. This will be achieved through, for example, the development of policies that support the retention of HDPs.
- Career development plans will be a key mechanism to ensure that HDPs identified as having potential, based on skills assessments, are earmarked for management positions and developed accordingly.
- HDPs will be mentored to provide them with support and assistance to ensure that they can assume their roles with success.
- As the Applicant does not currently have any employees, it is not possible to provide Employment Equity statistics – Form S. Once an Operator is appointed, these figures will be updated in line with their workforce. This updated information is anticipated to be available within six months after commencement of employment of the operational phase workforce.

The following additional points will be considered in the action plan to ensure that recruitment takes place in line with the targets:

- Ensuring that recruitment policies and procedures are inclusive.
- To develop and implement an employment equity policy and employment offer in accordance with the EEA.
- Encouraging core contractors to recruit women from the surrounding communities that form part of the production operation's local labour recruitment areas.
- Encouraging contractors to apply a demographic split in terms of the learnership intake in line with skills development plan.
- Supporting contractors to identify talent within their workforce with the aim of fast-tracking support for career progression and future appointments, based on the production operation's needs.

Actual employment equity targets, the specific numbers and the timing and durations can only be finally determined once the production operation commences. Core contractors will also be required to implement the employment equity targets and this information will only be available once they have been appointed. Once an Operator is appointed after FID, Form S for the Operator and for any core contractor/s as well as the employment equity targets for the duration of the SLP will be provided to PASA within six months after commencement of employment of the operational phase workforce and this will be reported in the annual SLP Report.

*Table 9: Benchmark that will guide Employment Equity Planning in the SLP*

Level	HDP benchmark/guide for Block11B/12B	Percentage of which are women
<b>Executive management</b>	Up to 40%	20%
<b>Senior management</b>	Up to 40%	25%
<b>Middle management</b>	Up to 40%	25%
<b>Junior management</b>	Up to 60%	30%
<b>Employees with disabilities</b>	Up to 1.5%	EAP
<b>Core and critical skills</b>	Up to 60% across all organisational levels	EAP

**Note:** EAP signifies alignment with the Economically Active Population

## 03 - Local economic development programme

### 3.1 Introduction and selection of target municipalities

Local economic development (LED) broadly refers to the constitutional and legislative mandate of every municipality to promote and facilitate the development of communities within their jurisdiction. SLP LED programmes must be aligned with municipal development priorities and demonstrate how right holders will support and contribute to the socio-economic development of local communities in their area of operations. As such, SLP LED programmes typically include infrastructure and poverty eradication projects. Identified SLP LED projects must be aligned with the needs, priorities and interventions identified in the IDP of the relevant local municipality. The LED programme must also demonstrate consideration of regional, provincial and national strategies, plans and frameworks. Relevant documents considered in preparation of this SLP LED programme are referenced in footnotes as well as in Section 7.

As part of the Economic Impact Assessment conducted for the 2022 production right application, various zones of influence were identified, including the Immediate Zone of Influence (IZOI), as well as the primary, secondary, and tertiary study areas (refer to section 3.2). This assessment extended beyond the proposed gas market development phase to evaluate additional phases of the Oil & Gas lifecycle, as illustrated in Figure 2. Accordingly, the details in this section are drawn from studies conducted as part of a full-field development scenario. These details have been retained in this update of the SLP because they provide the most comprehensive information available regarding the proposed Block 11B/12B development.

As a starting point for its proposed SLP LED programme, the Applicant has identified a number of potential projects in Mossel Bay Municipality (MBM) and George Local Municipality (GLM). As such, the Applicant's proposed initial five-year SLP will focus on LED interventions that are aligned with needs, priorities and interventions identified in the MBM and GLM IDP. During subsequent periodic five-year SLP review processes, the Applicant will engage with other local municipalities in the region to expand its LED programme beyond the MBM and GLM jurisdiction.

In addition, the Applicant will target beneficiaries in other municipalities located within the IZOI for benefits described in Section 2 which include bursaries, internships, learnerships, AET and other interventions that could advance skills development. Although approval of the gas marketing period suspends statutory obligations of the production right (such as HRD and LED commitments), the Applicant considers it important to begin contributing to community development as early as possible by making these benefits available prior to any legal obligation to do so.

### 3.2 Social and economic background information

In support of the proposed LED programme, it is incumbent upon a right holder to demonstrate an understanding of the socio-economic circumstances that exist within the local community. Baseline information included in this section was obtained through a desktop analysis of

available literature. The baseline profile was prepared by Urban-Econ Development Economists as part of the Economic Impact Assessment for the 2022 Block 11B/12B project.<sup>7</sup>

This section provides a demographic profile of the proposed project which comprises socio-economic information that details the population and household information, age, income, education level and employment dynamics of the areas under study. Concurrently, the demographic profile will provide trends in order to assess potential impacts that are bearing on the surrounding areas under study. This section also includes an economic and labour profile where historical trends and sectoral performances will be unpacked.

The study area is delineated as the IZOI, primary, secondary and tertiary study areas. These areas are described as follows:<sup>8</sup>

- **IZOI:** The IZOI comprises the areas where most of the development- and production-related activities will occur. The IZOI is the area that will supply auxiliary services to offshore activities, including accommodation, catering, and transport. The IZOI encompasses the Mossel Bay, George, and Knysna local municipal areas.
- **Primary study area:** The primary study area encompasses towns close to the shore that can accommodate marine servicing and manufacturing industries to supply goods and services required during the development and operations phases of the project. Such towns include Cape Town, Gqeberha, Saldanha Bay, and East London. Thus, the primary study area for the economic impact assessment was delineated as the stretch of land along the Indian and Atlantic Oceans between Saldanha Bay and East London.
- **Secondary study area:** The secondary study for the economic impact assessment area includes the provinces in which the IZOI and primary study area are located, namely the Western Cape and the Eastern Cape. While the production activities of the project are within the Western Cape, the proximity to the Eastern Cape may lead to this province benefitting from the initiative through the procurement of goods and services.
- **Tertiary study area:** The rest of South Africa is seen as the tertiary study area for the economic impact assessment, not only due to potential procurement benefits but also through the potential downstream impacts of an increase in local gas production on the national economy.

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<sup>7</sup> Urban-Econ (note 4 above) Section 4: Baseline description.

<sup>8</sup> Urban-Econ (note 4 above).



### 3.2.1 Population

Table 10 shows the population, number of households, average household size, and average population and household growth rates of the IZOI and for the towns of Mossel Bay and George for 2022, which are the economic hubs in the IZOI.

Table 10: Estimated population and households, 2022

	Mossel Bay	George	IZOI	Primary area	Secondary area	Tertiary area
<b>Population (Number)</b>	66 601	179 511	388 700	8 017 308	13 862 494	60 730 689
<b>Households (Number)</b>	21 528	50 620	112 773	2 285 241	3 698 798	16 982 055
<b>Average household size</b>	3.1	3.5	3.4	3.5	3.7	3.6
<b>Average population growth</b>	0.9%	1.2%	1.1%	1.1%	1.1%	1.5%
<b>Average household growth</b>	1.2%	1.3%	1.2%	1.5%	1.2%	1.4%

Source: Urban-Econ calculated from Stats SA Census 2011 & Quantec Standardised Regional data (2022)

The towns of Mossel Bay and George are seen as the hubs of the IZOI, with 17.1% of the population of the IZOI residing in the town of Mossel Bay. In comparison, the town of George makes up approximately 46.2% of the population. The town of George is also a focal point for in-migration as seen from the above-average population and household growth rates compared to the broader IZOI area.

### 3.2.2 Age

Figure 4 shows the age structure of the various areas being reviewed for this study. The age structure of an area indicates the potential availability of labour but also the dependency on the working-age population of those too young or old to work. It has implications for the future need for employment opportunities within an area.

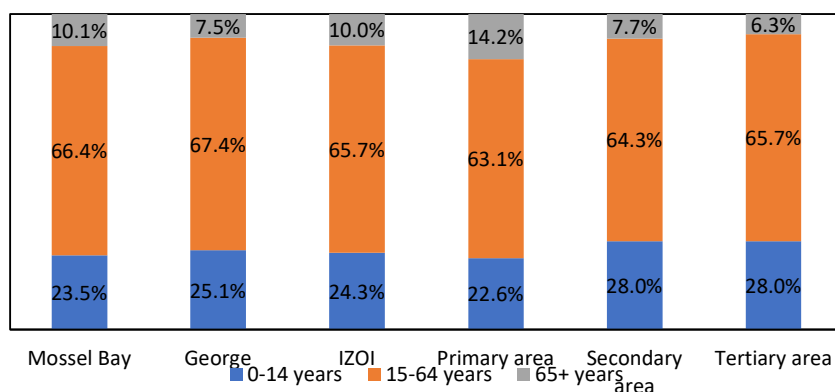


Figure 4: Estimated age profile, 2022

Source: Urban-Econ calculated from Stats SA Census 2011 & Quantec Standardised Regional data (2022)

The observable high presentation of the working-age population (15-64 years) in Mossel Bay (66.4%), George (67.4%) and IZOI (65.7%) means that there is a large labour force that could benefit from job creation initiatives, particularly in the George area. The working-age population is similarly distributed across the primary area (63.1%), secondary area (64.3%) and tertiary area (65.7%). Significantly, Mossel Bay and the primary study area have large populations of people older than 65 years (10.1% and 14.2%, respectively). This means that the coastal areas are popular amongst retirees. In contrast, the secondary and tertiary areas have a large proportion of children (28.0% in each instance), which will influence the future demand for education and skills development initiatives as well as employment opportunities.

### 3.2.3 Education

Figure 5 shows education levels for people older than 20 years of Mossel Bay, George, the IZOI as well as the primary, secondary and tertiary study areas.

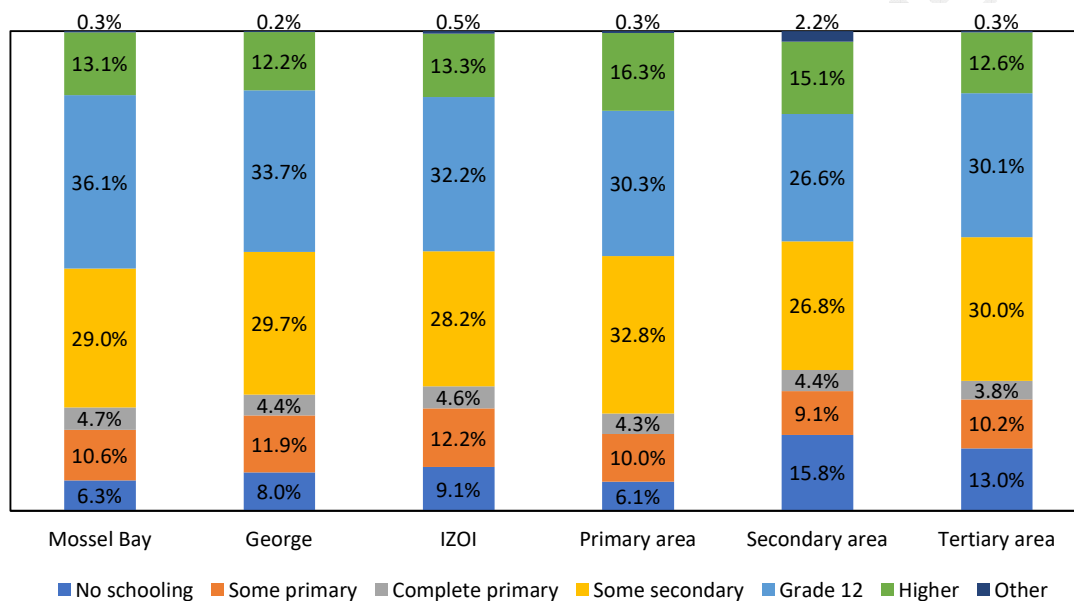


Figure 5: Estimated education levels, 2022

Source: Urban-Econ, using data from Stats SA Census 2011 & Quantec Standardised Regional data (2022)

Compared with the other areas under review, Mossel Bay has a larger proportion of residents who have completed Grade 12 (36.1%). The proportion of the population with higher education is estimated at 13.1% for Mossel Bay, 12.2% for George and 13.3% for the IZOI. This is somewhat lower than the proportions for the primary (16.3%) and secondary (15.1%) study areas. Therefore, some specialised labour for the project will probably need to be recruited from the primary study area.

### 3.2.4 Employment

The education attainments discussed previously are an important predictor of labour market outcomes. Such attainments are likely to influence employment across the areas under study, as illustrated in Figure 6.

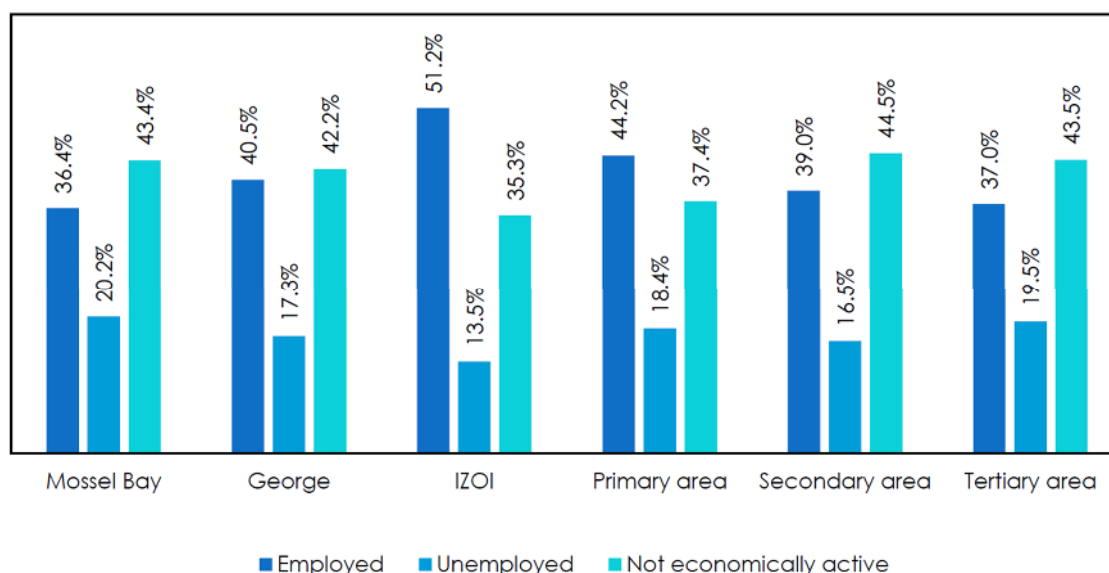


Figure 6: Estimated employment levels, 2021

Source: Urban-Econ calculated from Quantec Standardised Regional data (2022)

In 2022, approximately 26.6% of the working-age population in Mossel Bay and 30.5% of the working-age residents in George were employed. This is against 25.3% and 22.3%, respectively, that were unemployed and 48.1% and 47.2% respectively, of persons classified as not economically active.<sup>9</sup> George and Mossel Bay are seen as the region's economic hub, resulting in a large influx of unemployed jobseekers. Importantly, the IZOI labour force featured the highest number of employed people (49.6%) and the lowest proportion of unemployed (14.3%). The primary, secondary and tertiary areas recorded a better employment outlook compared to Mossel Bay and George across all the labour force categories for 2022.

<sup>9</sup> Individuals who are out of the labour market (i.e., not economically active) are those aged 15 to 65 who are not available for work. This category includes full-time scholars and students, full-time homemakers, those who are retired, and those who are unable or unwilling to work (Statistics SA, 2023).  
<https://apps.statssa.gov.za/census01/census96/html/CIB/Introduction.htm#:~:text=The%20people%20who%20are%20out,%E2%80%A2>

### 3.2.5 Household Income

Table 11 shows the estimated average monthly household incomes for the various study areas while Figure 7 outlines the average income growth rate between 2021 and 2021.

Table 11: Estimated average household monthly income, 2022

	Amount (Rand)
<b>IZOI</b>	R29 546
<b>Primary area</b>	R24 029
<b>Secondary area</b>	R24 809
<b>Tertiary area</b>	R23 578

Source: Urban-Econ calculated from Quantec Standardised Regional data (2022)

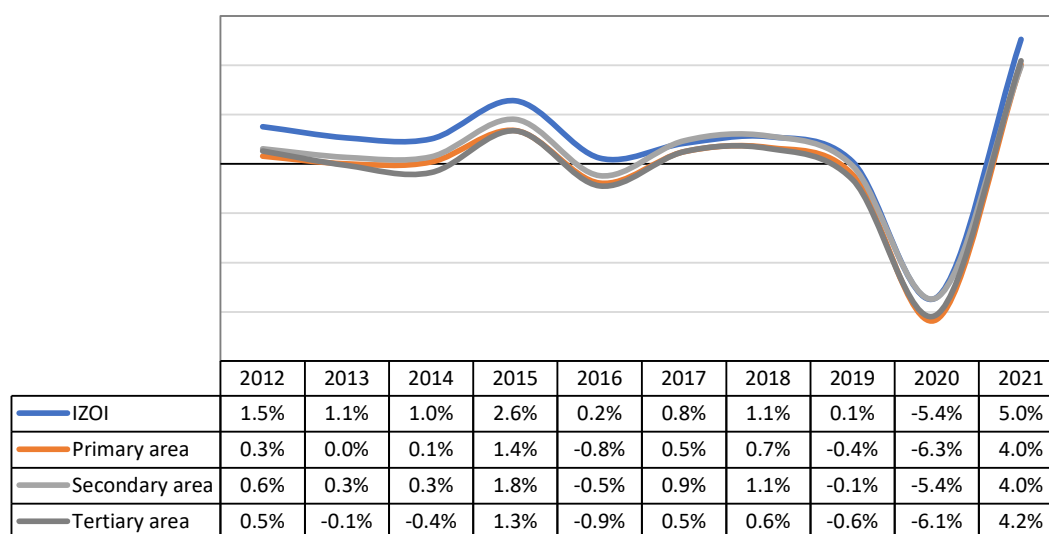


Figure 7: Household income growth, 2012 – 2021

Source: Urban-Econ calculated from Quantec Standardised Regional data (2022)

The IZOI has a high average monthly household income compared with the primary, secondary, and tertiary study areas. This is in line with the high levels of education and employment estimated for the IZOI. However, since 2012, household income has been declining (except for a small increase in 2015). Average household incomes were negatively affected in 2020 across all areas, especially the primary study area, which fell by 6.3%. In 2021, lifting COVID-19 restrictions enabled many sectors to resume operations, allowing people to return to work. As a result, household income grew by 5.0% in the IZOI. It is important to note, however, that this remains below inflation, indicating that households and the economy remain under pressure, despite the economic improvement in growth in 2021.

### 3.3 Economic profile

The economic profile outlined in this section was prepared by Urban-Econ Development Economists as part of the Economic Impact Assessment for the proposed Block 11B/12B project.<sup>10</sup>

#### 3.3.1 Overview

The sizes of the various economies, in terms of Gross Value Added (GVA),<sup>11</sup> are outlined in Table 12. Given the different population sizes of the IZOI and the primary, secondary and tertiary areas, the total GVA cannot be used as a comparison of wealth. Therefore, the GVA per capita is also shown. GVA per capita is a valuable economic indicator that can be used to show the well-being of a population.<sup>12</sup>

Table 12: Total GVA and GVA per capita, 2021

	GVA (R billion current prices) <sup>13</sup>	GVA per capita (current prices)
<b>IZOI</b>	R39.0 (0.7%)	R101 443
<b>Primary area</b>	R899.1 (16.2%)	R114 350
<b>Secondary area</b>	R1 183.7 (21.3%)	R86 308
<b>Tertiary area</b>	R5 563.5 (100%)	R92 954

Source: Urban-Econ calculated from Quantec Standardised Regional data (2022)

The economy of the IZOI is relatively small (R39.0 billion), contributing 0.7% to the national economy, and 5.1% to the economy of the Western Cape. However, the GVA per capita is significantly greater compared with the secondary (R86 308) and tertiary areas (R92 954). This indicates that the population in the IZOI and the primary area have a better standard of living compared to those in the secondary and tertiary study areas.

Figure 8 Figure 8 illustrates the GVA growth rate in the study area between 2012 and 2021.

<sup>10</sup> Urban-Econ (note 4 above) Section 4: Baseline description.

<sup>11</sup> "GVA measures the contribution to the economy of each individual producer, industry or sector and is used in the estimation of GDP. GVA therefore is the difference between output and intermediate consumption for any given sector/industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs, which are used up in production" (O'Connor, 2018:7)

<sup>12</sup> United Nations. (2007). Gross Domestic Product per Capita. Retrieved from [https://www.un.org/esa/sustdev/natlinfo/indicators/methodology\\_sheets/econ\\_development/gdp\\_percapita.pdf](https://www.un.org/esa/sustdev/natlinfo/indicators/methodology_sheets/econ_development/gdp_percapita.pdf)

<sup>13</sup> Values in brackets indicate the contribution to the South African economy.

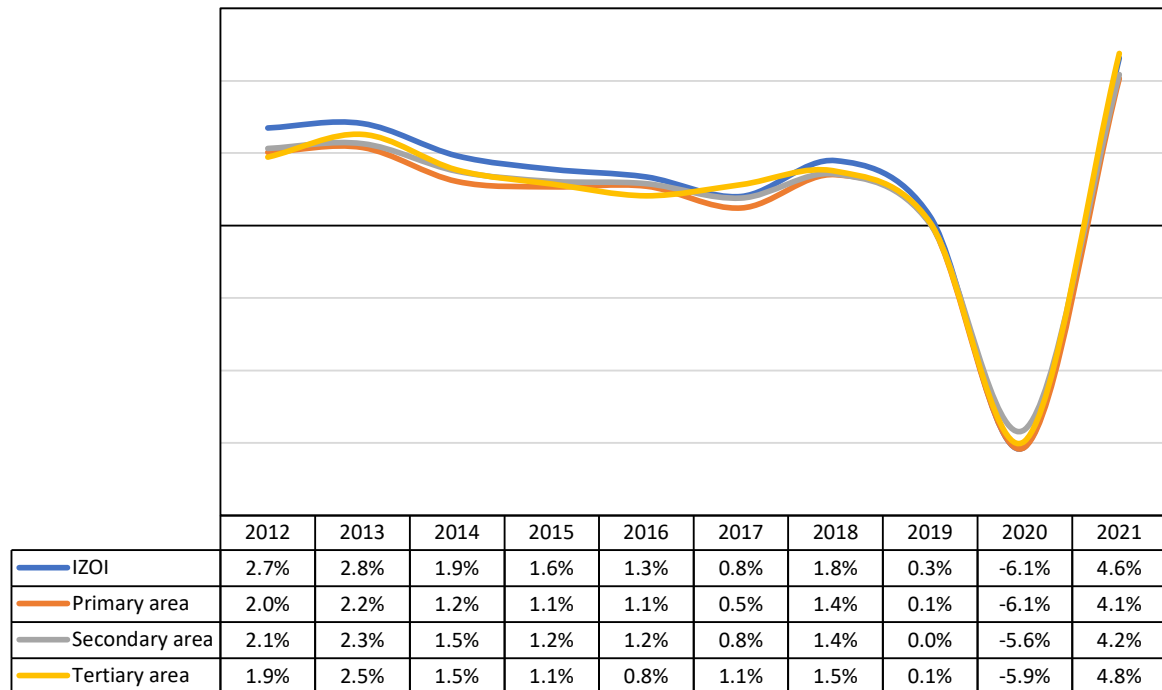


Figure 8: GVA growth trends, 2012 – 2021

Source: Urban-Econ calculated from Quantec Standardised Regional data (2022)

Since 2012, the economy of the IZOI has been declining. This trend may be attributed to various factors, including drought across the Western Cape, the impact of loadshedding and other national economic challenges. The primary, secondary and tertiary study areas registered growth trends over the period in question. In 2020, the economy was impacted by the global COVID-19 pandemic, leading to a sharp contraction of 6.1% in both the IZOI and the primary study area. This was marginally worse than the decline in the tertiary (5.9%) and secondary (5.6%) study areas, probably due to the importance of tourism as an economic driver in the IZOI.

In 2021, the economy of the IZOI partially recovered, with a growth rate of 4.6%. The tertiary study area yielded a better economic performance at 4.8% in 2021, while the secondary study area grew by 4.2%. The GVA contribution of the primary area recorded the slowest recovery in 2021, namely 4.1%. The economies of the IZOI, primary and secondary study areas, as seen in Table 13, are structured differently compared with the tertiary sectors. It is therefore important to understand sector dynamics to unpack the growth performance.

Table 13: Sectoral GVA contribution, 2021

Sector	IZOI	Primary area	Secondary area	Tertiary area
<b>Agriculture, forestry &amp; fishing</b>	3.8%	2.0%	3.1%	2.7%
<b>Mining &amp; quarrying</b>	0.4%	0.2%	0.3%	8.6%
<b>Manufacturing</b>	13.9%	15.3%	13.9%	13.1%
<b>Electricity, gas &amp; water</b>	2.3%	2.2%	2.2%	3.1%
<b>Construction</b>	3.6%	3.2%	3.2%	2.5%
<b>Wholesale &amp; retail trade, catering &amp; accommodation</b>	16.6%	16.8%	16.8%	13.7%
<b>Transport, storage &amp; communication</b>	7.8%	7.9%	7.3%	7.1%
<b>Finance, insurance, real estate &amp; business services</b>	33.1%	30.1%	27.5%	23.7%
<b>General government</b>	8.2%	9.5%	10.3%	8.6%
<b>Community, social &amp; personal services</b>	10.2%	12.9%	15.4%	16.9%

Source: Urban-Econ calculated from Quantec Standardised Regional data (2022)

The sectors that contributed the most to the economy in the IZOI in 2021 were the finance, insurance, real estate and business services (33.1%), wholesale and retail trade, catering and accommodation (16.6%) and the manufacturing sector (13.9%). The large contribution from the wholesale and retail trade/catering and accommodation sector to the economies of both the IZOI and primary study area indicates a prominent tourism industry, as many tourist activities are captured in this sector.

The manufacturing sector's contribution to the economy in the primary study area (15.3%) was greater than the contribution of this sector to the economies of the IZOI, secondary and tertiary study areas. The metros included in the primary study areas are all prominent manufacturing hubs. Goods from these hubs will probably be utilised for the proposed project, which will broaden the initiative's economic impact beyond the IZOI.

The economic structure of the IZOI and the structure of the primary and secondary study areas differ most from that of the tertiary study area regarding the mining sector's contribution. This sector contributes less than 1% to the economies of the IZOI, primary and secondary study areas, while it contributes 8.6% to the economy of the tertiary study area. There are fewer mining and quarrying resources in the Western and Eastern Cape, in comparison to other provinces such as the North West, Gauteng and Mpumalanga, which leads to a small economic contribution from this sector. Global and national occurrences that affect this sector, therefore have a larger impact on the economy of the tertiary study area than it has on the economies of the IZOI, the primary and secondary study areas.



### 3.3.2 Other mineral right holders in the area

According to the DMRE website, the following are listed as mineral right holders within a  $\pm 100$ km radius of Mossel Bay.<sup>14</sup>

Table 14: Mineral right holders near Mossel Bay

Right holder	Commodity
Aglime Limestone Quarry, Riversdal	Limestone, lime
Bitou Quarries, Knysna	Aggregate, sand (natural)
Bosbok Sandmyn, Riversdal	Sand (natural)
Buffelsfontein Gravel Mine, Riversdal	Aggregate, sand (natural)
Cape Bentonite, Heidelberg	Bentonite
De Hoek Sandgat, Mossel Bay	Sand (natural)
De Kop Quarry, Knysna	Sand (natural)
Hartenbos Quarry, Mossel Bay	Aggregate, sand (natural)
Earthcom Gravel Mine, George	Aggregate, sand (natural)
G & W Base – Albertina Yellow Ocher, Riversdal	Plastic Clay
Hartenbos Quarry, Mossel Bay	Aggregate, sand (natural)
Hectors Kraal Sand Mine, Mossel Bay	Sand (natural)
KK Sand Mine, Knysna	Sand (natural)
Klein Soebattersvlakte Sand Mine	Sand (natural)
Kleinkranz Quarry, George	Sand (natural)
Kurlandbrik, Knysna	Clay, shale
Lafarge – Knysna Quarry, Knysna	Aggregate, sand (natural)
Lafarge – Witfontein Quarry, George	Aggregate, sand (natural)
Lezmin 2021 CC T/A K1 Quarry, George	Aggregate, sand (natural)
Lughawe Gruisgroef, George	Aggregate, sand (natural)
Maandagskop Crusher, Mossel Bay	Aggregate, sand (natural)
Makhulu Quarry, Knysna	Aggregate, sand (natural)
Moodie Broers (Pty) Ltd, Heidelberg	Sand (natural)
Olive Tree Sand Mine, Riversdal	Sand (natural)
PetroSA, Mossel Bay (Mine Code: 11858)	Natural gas
Quin Crusher Quarries, Riversdal	Aggregate, sand (natural)
Resiesbaan, Riversdal	Limestone
Rheebok Brick Holdings, Mossel Bay	Clay, shale
Robberg Quarry, Knysna	Aggregate, sand (natural)
Shelfcorp 63, Knysna	Sand (natural)
Sithembile Sand Mine, George	Sand (natural)
South Cape Clay Mine, Riversdal	Clay, shale
Spitskop Steenwerke (EDMS) Bpk	Clay, shale
Stander Sand, George	Sand (natural)
Vaale Kraal Kaoline Clay, Mossel Bay	Clay, shale
Van Zyl Quarry, Mossel Bay	Aggregate, sand (natural)

<sup>14</sup> Department of Mineral Resources and Energy <https://www.dmr.gov.za/mineral-policy-promotion/operating-mines/western-cape> (accessed 15 October 2021).

Right holder	Commodity
Vantell (Pty) Ltd, Knysna	Clay, Shale
Volmoed Quarries, Oudshoorn	Aggregate, sand (natural)

### 3.4 Labour profile

The labour profile outlined in this section was prepared by Urban-Econ Development Economists as part of the Economic Impact Assessment for the proposed Block 11B/12B project.<sup>15</sup>

#### 3.4.1 Overview

Figure 9 indicates the changes in employment in the IZOI between 2017 and 2021. To compare the changes in employment across the study area, Figure 10 indicates the employment growth rates between 2017 and 2021.

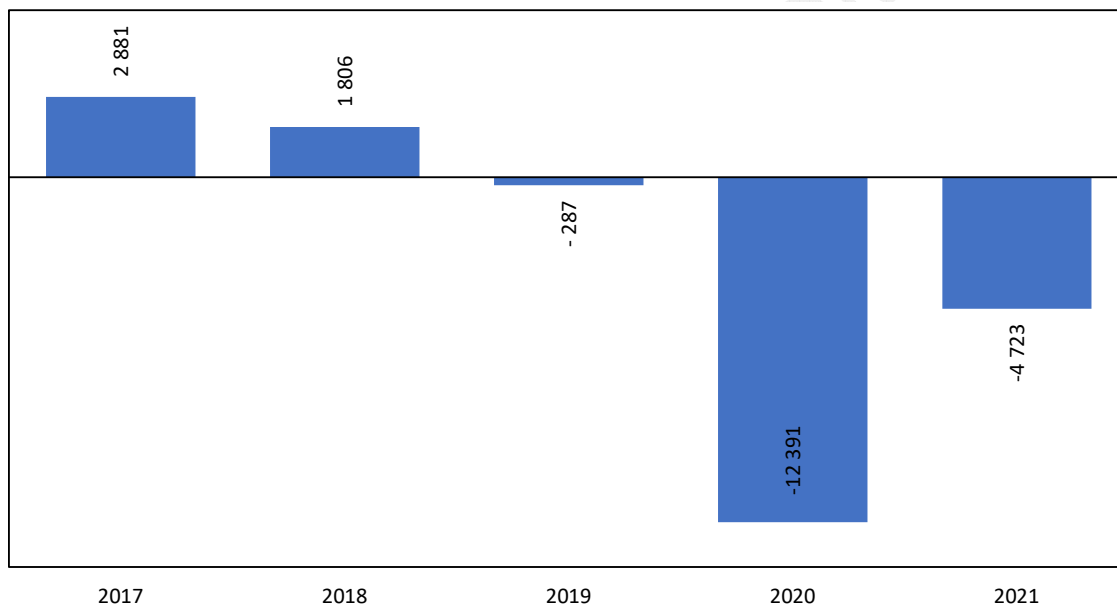


Figure 9: IZOI employment changes, 2017 – 2021

Source: Urban-Econ calculated from Quantec Standardised Regional data (2022)

In 2021, the IZOI recorded 129 298 employed people, however, since 2019, the economy shed jobs. The COVID-19 pandemic resulted in large-scale job losses in 2020 (12 391 jobs) and while the economy partially recovered in terms of GVA growth in 2021, continued job losses were recorded (4 723 jobs).

<sup>15</sup> Urban-Econ (note 4 above) Section 4: Baseline description.

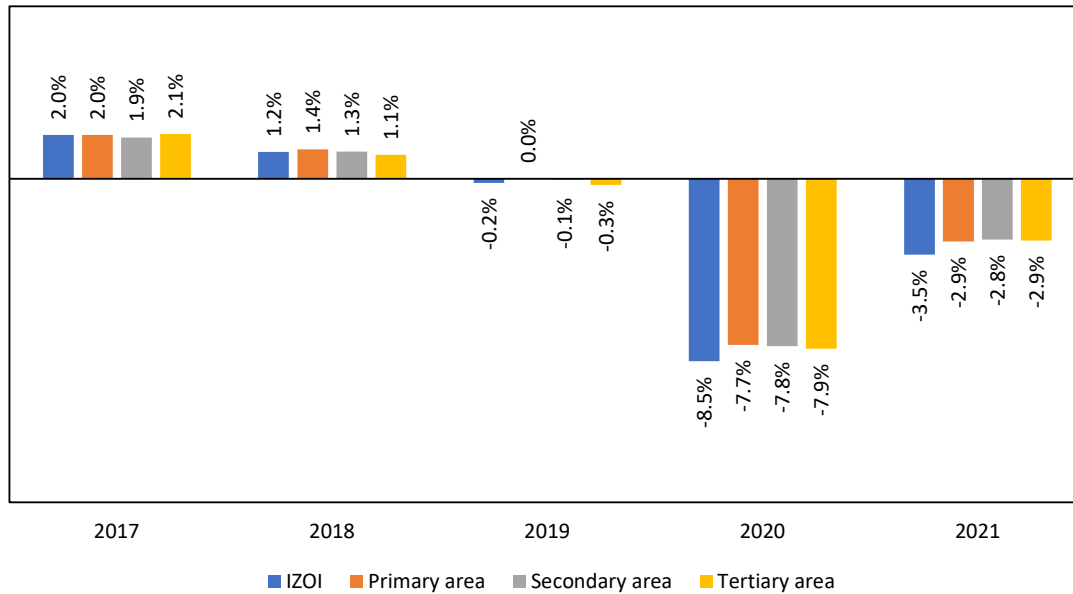


Figure 10: Employment growth, 2017 – 2021

Source: Urban-Econ calculated from Quantec Standardised Regional data (2022)

Employment growth followed the same trajectory across all the study area, emphasising that the local economic performance, and the subsequent impact on jobs, cannot be separated from the performance of the national economy. However, due to unique local sector compositions, variances do occur. In 2020 and 2021, the IZOI recorded job losses of 8.5% and 3.5% respectively, which is marginally higher compared to the primary, secondary and tertiary study areas. The IZOI is highly dependent on seasonal tourism, and the severe impact of the COVID-19 pandemic on this industry could have contributed to the substantial amount of job losses. Table 15 indicates employment per sector in the IZOI, primary, secondary and tertiary study areas.

Table 15: Sectoral employment composition, 2021

Sector	IZOI	Primary area	Secondary area	Tertiary area
<b>Agriculture, forestry &amp; fishing</b>	9.8%	5.2%	9.3%	7.1%
<b>Mining &amp; quarrying</b>	0.1%	0.1%	0.1%	3.4%
<b>Manufacturing</b>	9.0%	11.0%	9.4%	9.3%
<b>Electricity, gas &amp; water</b>	0.4%	0.4%	0.3%	0.4%
<b>Construction</b>	5.8%	5.6%	5.4%	5.4%
<b>Wholesale &amp; retail trade, catering &amp; accommodation</b>	24.0%	23.0%	22.0%	21.1%
<b>Transport, storage &amp; communication</b>	4.2%	4.2%	3.8%	4.0%
<b>Finance, insurance, real estate &amp; business services</b>	21.4%	20.5%	17.9%	18.5%
<b>General government</b>	5.6%	7.3%	7.5%	6.7%
<b>Community, social &amp; personal services</b>	19.7%	22.7%	24.3%	23.9%

Source: Urban-Econ calculated from Quantec Standardised Regional data (2022)

The sectors that contribute the most to employment in the IZOI were the wholesale and retail trade, catering and accommodation (24.1%), finance, insurance, real estate and business services (21.4%) and the community, social and personal services (19.7%) sectors. The IZOI has a comparatively larger proportion of workers in the trade and finance centres, emphasizing that the towns in the IZOI serve as the economic hub of the Garden Route District and that tourism<sup>16</sup> plays an important role in creating employment in the local economy.

Compared to the primary, secondary and tertiary areas, the IZOI employs a smaller proportion of manufacturing workers (9.0%). The primary sector includes large manufacturing hubs, such as Saldanha Bay, Cape Town, Gqeberha and East London, resulting in the manufacturing sector contributing 11.0% to employment in this area.

<sup>16</sup> A large proportion of tourist activities are captured in the wholesale and retail trade, catering and accommodation sector. However, this is not the only sector boosted by tourist activities.

### 3.4.2 Skills

Figure 11 illustrates the skills profile of formally employed workers in the IZOI, the primary, secondary and tertiary study areas in 2021.

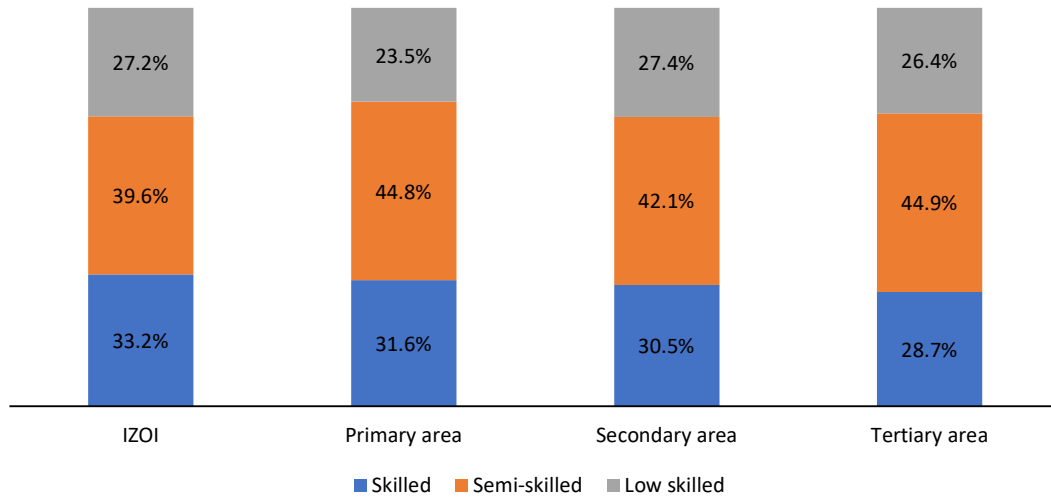


Figure 11: Formal employment skills profile, 2021

Source: Urban-Econ calculated from Quantec Standardised Regional data (2022)

There is a similar skills profile across the study area, with most formal workers being semi-skilled. Notably, the IZOI has a larger proportion of skilled (33.3%) workers compared to the other areas, but also a relatively large proportion of low-skilled workers (27.2%). This reflects the large cohort of agriculture, forestry and fishing workers in the IZOI.

Table 16 indicates the average annual employment growth rate for the skills levels of formal workers between 2017 and 2021.

Table 16: Employment growth per skill level, 2017 – 2021

Skill level	IZOI	Primary area	Secondary area	Tertiary area
<b>Skilled</b>	1.8%	1.0%	1.2%	1.0%
<b>Semi-skilled</b>	-0.4%	0.0%	0.1%	0.0%
<b>Low skilled</b>	-0.9%	-0.6%	-0.6%	-0.4%

Source: Urban-Econ calculated from Quantec Standardised Regional data (2022)

The number of skilled workers has increased substantially over the last five years in the IZOI (1.8% per annum). The primary, secondary and tertiary areas have also recorded positive growth rates for skilled workers over the reference period (1.0%, 1.2% and 1.0% respectively). Contrastingly, job losses were recorded for semi-skilled and low-skilled workers, at a rate of 0.4% and 0.9% per annum in the IZOI. The primary and tertiary areas recorded a stagnation in job creation for semi-skilled workers, while the secondary area recorded marginal annual growth (0.1%).

It is evident that job creation favours skilled workers, and there is therefore a need to either up-skill workers or create employment opportunities for the creation of low-skilled and semi-skilled jobs, especially in the IZOI.

### 3.5 Key social infrastructure

Information on the key social infrastructural needs in the IZOI outlined in this section was extracted from the relevant Municipal Integrated Development Plans and the 2023-2024 Municipal Economic Review and Outlook for Garden Route District prepared by the Western Cape Provincial Government.<sup>17</sup>

#### 3.5.1 Healthcare facilities and services

Table 17 provides an outline of the public healthcare facilities available in the IZOI, as per the Western Cape Provincial Treasury Socio-Economic Profiles 2023 (SEP).<sup>18</sup> The facilities and services listed in the table below exclude any private healthcare in the IZOI.

Table 17: Public Healthcare Facilities (2022)

Public healthcare facilities	Garden Route District	IZOI		
		MBM	GLM	KLM
Fixed primary healthcare clinics	40	5	12	5
Mobile Clinics	37	11	4	5
Anti-retroviral Treatment Clinics/Treatment Sites	70	17	18	6
Tuberculosis Clinics/Treatment Sites	72	15	17	8
District Hospital	6	1	1	1
Regional Hospital	1	0	1	0
Ambulances	28	3	9	2

Source: Western Cape Provincial Treasury Socio-Economic Profiles 2023

In addition to the current available public healthcare facilities, the Western Cape Provincial Department of Health intends to invest in a further 37 healthcare infrastructure projects valued at R86.784 million in the Garden Route District.<sup>19</sup> This commitment to healthcare infrastructure development will support healthcare capabilities and accessibility and is likely to improve health outcomes in the IZOI.

<sup>17</sup> Western Cape Provincial Treasury 2023-2024 Municipal Economic Review and Outlook for Garden Route District <https://www.westerncape.gov.za/provincial-treasury/files/atoms/files/2023-24%20MERO%20Garden%20Route%20District.pdf> (accessed on 7 August 2024) (MERO).

<sup>18</sup> Western Cape Provincial Treasury Socio-Economic Profiles 2023 <https://www.westerncape.gov.za/provincial-treasury/socio-economic-profiles-2023> (accessed 7 August 2024).

<sup>19</sup> Western Cape Provincial Treasury Socio-Economic Profile – Garden Route District 2023 <https://www.westerncape.gov.za/provincial-treasury/files/atoms/files/Garden%20Route%20District%20Municipality%20SEP-LG%202023.pdf> (accessed 7 August 2024) (Garden Route SEP) 10.

### 3.5.2 Housing and access to basic services

Table 18: Housing and access to basic services (2022)

Public healthcare facilities	Garden Route District	IZOI		
		MBM	GLM	KLM
Total number of households	255 977	52 985	85 931	32 398
Formal main dwelling	89.0%	92.5%	87.3%	83.7%
Informal dwelling	9.6%	5.8%	11.6%	14.2%
Traditional dwelling	1.2%	1.5%	0.9%	1.8%
Access to piped water inside dwelling / yard / communal / neighbour's tap	85.0%	90.2%	81.3%	82.6%
Flush/chemical toilet	93.7%	97.1%	93.4%	90.6%
Electricity (incl. generator) as primary source of lighting	95.9%	98.2%	95.5%	93.9%
Refuse removal at least once a week	88.8%	92.5%	88.3%	89.3%

Source: Western Cape Provincial Treasury Socio-Economic Profiles 2023

According to the Garden Route District SEP for 2023, the percentage of households with access to formal housing increased from 83.8% to 89.0% between 2011 and 2022 in the district. This improvement is largely due to the construction of state-funded housing units for low-income families. In George city, nearly all entry-level properties (under R300,000) are government subsidized. Additionally, there have been notable increases in households with flush toilets in the Garden Route District (up 8.5%), electricity for lighting (up 4.8%), and piped water (up 13.2%). However, access to regular refuse removal only rose modestly by 2.4%. The Garden Route District still faces challenges in service provision, particularly in extending services to rural and informal settlements.

### 3.5.3 Educational facilities

Table 19: Educational facilities (2022)

Public healthcare facilities	Garden Route District	IZOI		
		MBM	GLM	KLM
Number of schools	170	24	50	19
Proportion of no-fee schools	77,7%	75,0%	72,0%	78,9%
Number of schools with libraries	93	16	28	11
Learner-teacher ratio	29.8	30.1	29.7	28.9

Source: Western Cape Provincial Treasury Socio-Economic Profiles 2023

The various IDPs of the three municipalities indicate a need for further expansion and upgrade of educational facilities within the IZOI. To meet growing demand, additional schools, classrooms, and maintenance of existing facilities will be needed in the future. To meet this need, the Western Cape Education Department has set aside a budget of R265 million for 2023/24 reporting period for planned education infrastructure projects within Garden Route District.<sup>20</sup>

<sup>20</sup> Garden Route SEP (note 19 above) 8.



### 3.6 Conclusion

The IZOI has a large cohort of people that are of working age, particularly George. Furthermore, the education levels in the IZOI are relatively high with most people having a Grade 12. There are proportionally fewer people in the IZOI with tertiary education compared with the primary area. The IZOI is growing as a regional hub of the Southern Cape and the proportion of people with tertiary education will likely increase, as highly skilled workers migrate to the area. The Mossel Bay and George areas have a large cohort of people older than 65. This population segment plays an important role in the local economy and is one of the main drivers of property demand in the area.

The population of the IZOI and primary study area have a better standard of living and higher average household income compared to the secondary and tertiary areas, which could affect migration patterns as people often relocate in search of jobs.

The economy of all the areas under review remains under pressure, as the economy has not fully recovered yet after the severe downturn recorded in 2020. National challenges, such as loadshedding and rising interest rates, hampering full recovery. While GVA growth was recorded in most sectors in 2021, job losses continued. The finance, insurance, real estate and business services; manufacturing; and wholesale and retail trade, catering and accommodation sectors are important sectors driving economic growth in the IZOI.

**To ensure full economic and employment recovery, targeted interventions in these sectors are essential. Job creation and skills development initiatives should particularly focus on semi- and low-skilled workers. Support for the informal sector is also essential. As such, the primary focus of this SLP, and in particular the LED project selection process that is described in section 3.8, is on skills development and job creation.**

Given the socio-economic characteristics and current economic challenges of the study area as outlined above, the proposed Block 11B/12B project could have a significant economic impact, by strengthening the local oil and gas industry value chain (particularly its linkages to the manufacturing sector). Direct impacts of the project, however, will be influenced by the availability of suitably skilled local labour and input manufacturers. **It is in this area that the Block 11B/12B SLP is structured to make a meaningful impact in the IZOI.**

### 3.7 Potential negative impacts of the production operation on the surrounding communities

The Applicant will be undertaking various listed activities that require environmental authorisation via a Scoping & Environmental Impact Assessment (ESIA) process in terms of the National Environmental Management Act 107 of 1998 (NEMA) and the EIA Regulations, 2014 (as amended). As such, potential impacts associated with the proposed production operation are currently being assessed during the ESIA process.

SLR Consulting (South Africa) (Pty) Ltd (SLR) has been appointed as the independent Environmental Assessment Practitioner (EAP) to undertake an Environmental and Social Impact Assessment (ESIA) process to meet the relevant requirements of the NEMA and EIA Regulations, 2014 (as amended). As part of the current ESIA undertaken by SLR, no stand-

alone social impact assessment (SIA) is required. Instead, Socio-Economic impacts will be identified by a Socio-Economic specialist and included in the ESIA Report.

However, as part of the 2022 ESIA undertaken by WSP Group Africa (Pty) Ltd (WSP Group) on behalf of TEEPSA, a SIA was conducted.<sup>21</sup> This section is based on information extracted from the SIA prepared by WSP Group for the Block 11B/12B project. It should however be noted that this SIA contemplates a full-field development scenario. While details from the SIA have been retained in this update of the SLP, the impacts described in this section may only materialise during the project construction and operational phases.

### **3.7.1 Social impacts and opportunities**

#### ***Impacts with negligible social impact***

Some twenty impacts were assessed for the normal operations, while some impacts were not considered as the Project activities will have a negligible effect. The impacts not considered include:

- Possibility of Project-induced in-migration; introduction of people dissimilar in age, gender, racial and ethnic composition;
- Pressure on public infrastructure and services;
- Population and demography;
- Landscape and seascape;
- Impacts on municipal land uses;
- Potential mismanagement of waste leading to environmental pollution onshore and increased risk to community health;
- Increased pressure on water resources in the municipal area; and
- Impacts on fishers relating to maritime safety zones for marine surveys.

#### ***Normal operations***

Of the twenty impacts assessed, twelve were assessed as adverse and eight as positive.

Potential adverse impacts can be expected in terms of community health, safety and security, cultural heritage, and the activities of small-scale fishers during the exploration, construction, production operations and decommissioning and closure phases. Of specific relevance are impacts of high significance on intangible cultural heritage (ICH) and impacts of medium significance on small-scale fishers during exploration and construction. Impacts of medium significance are expected in terms of community health, safety and security, and especially small-scale fishers during production operations. During decommissioning and closure, impacts of low adverse significance can be expected on the activities of small-scale fishers, while positive and negative impacts will decline in terms of other receptors.

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<sup>21</sup> TotalEnergies EP South Africa B.V. Offshore Production Right and Environmental Authorisation Applications for Block 11B/12B Social Impact Assessment September 2023 (WSP SIA 2023).

The proposed Project is expected to have some positive impacts on community livelihood and women and vulnerable groups in terms of economic opportunities, whether direct, indirect or induced. Economic opportunities will peak during the construction phase and will decrease during the production, operations, decommissioning and closure phases.

### ***Unplanned event***

In the unplanned event scenario, nine impacts were assessed. All of these were assessed as adverse.

- In the case of a well blowout or pipeline rupture in the western Production Development Area, it can be expected that community livelihood, community health, safety and security, Intangible Cultural Heritage (ICH), and the activities of small-scale fishers and ICH will be adversely affected.
- The large, anticipated area that could be impacted in the case of a well blowout in the eastern Exploratory Priority Area (worst case scenario) will have adverse impacts of very high significance on community and small-scale fisher livelihoods. Two were assessed as of very high significance before mitigation, still high after mitigation. These relate to impacts on community livelihoods and the livelihoods of small-scale fishers in the event of the eastern exploration area worst case scenario.

This significance can be mitigated to high. These impacts could also be of a long-term nature, severely affecting coastal communities that are reliant on fishing and tourism between George and Gqeberha. A detailed outline of proposed mitigation measures is provided in the SIA.

### ***Cumulative impacts***

The EIA Regulations, 2014 (as amended) require the consideration of the “cumulative impact”, which includes the ‘reasonably foreseeable future impact of an activity’. Cumulative impacts refer to the gradual process whereby impacts arising from multiple sources become increasingly more severe over time. Cumulative impacts must be considered when assessing the risk and potential impacts of a particular project. Practically, the identification and management of cumulative impacts are limited to those effects which are recognised as important by the affected communities (International Finance Corporation Good Practice Handbook, 2013).

Based on a review of existing and planned projects within reasonable proximity and/or coincident with the Project, as well as inputs received from I&APs during the Scoping Phase public participation process, the existing and planned activities outlined in Table 20 will be considered from a cumulative impact assessment perspective.<sup>22</sup>

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<sup>22</sup> WSP SIA (note 21 above) 120 - 123.

*Table 20: Existing and Proposed Surrounding Projects*

Project title	Description	Status	Key Cumulative Impact Considerations
Re-commissioning of PetroSA F-A Platform operations to support the Block 11B/12B Production Right Application	Should a commercial agreement be reached, the F-A Platform and associated infrastructure will be used to process and transport the gas and condensates to the onshore gas-to-liquids facility in Mossel Bay. Some upgrades and modifications to the FA platform may be required.	Proposed	<ul style="list-style-type: none"> <li>Increased marine traffic from Mossel Bay Port</li> <li>Permanent maritime exclusion safety zones reducing fishing grounds for small-scale fishers</li> <li>Impact on cultural heritage</li> <li>Positive impact on community livelihood and women and vulnerable groups in terms of job creation whether direct, indirect or induced.</li> </ul>
Exploration drilling in Block 5/6/7 off the South-West Coast	Exploration in Block 5/6/7 is located offshore the southwest coast of South Africa, between Cape Town and Cape Agulhas. Since the first granting of the Exploration Right, two seismic surveys have been undertaken in the block. Based on the analysis of acquired seismic data, it is proposed that one exploration well is drilled and, depending on success, up to 4 additional wells in total within an area of interest within the block (i.e. up to five wells in total).	Approved EA issued 17/4/2023 (valid for 2 years)	<ul style="list-style-type: none"> <li>Impacts on ICH</li> <li>Impacts on the activities of small-scale fishers related to marine ecology impacts and maritime safety zones.</li> <li>Tourism affected due to impact on recreational fishers.</li> </ul>
PetroSA Offshore By-pass Pipelines	PetroSA proposes to modify the existing Single-Point Mooring (SPM) subsea bundle by installing two new ~1.4 km steel pipelines on the seabed, parallel to the existing housing structure. The pipelines will terminate in a new Pipeline End Manifold seabed structure and be tied into the existing SPM buoy (to be repositioned) and the existing operating bundle. The pipelines will be launched to sea from the pipeline assembly site at PetroSA's Tank Farm.	Proposed BAR PPP concluded on 27 March 2023 Final BAR submitted in May 2023	<ul style="list-style-type: none"> <li>Impacts on ICH.</li> <li>Maritime safety zone around pipeline excluding fishing activities.</li> <li>Impacts on marine ecology affecting activities of small-scale fishers.</li> <li>Security measures around tank farm.</li> </ul>

Project title	Description	Status	Key Cumulative Impact Considerations
CGG Services SAS (CGG) Proposed speculative 3D seismic survey in the Algoa/Outeniqua Basin, off the south-east coast of South Africa	Proposed 3D survey covering an area of up to 9 000 km <sup>2</sup> in a 12 750 km <sup>2</sup> area of interest located offshore between Gqeberha in the east and a point approximately 120 km southeast of Plettenberg Bay in the west. A portion of the area of interest overlaps with the eastern section of Block 11B/12B.	Proposed BAR PPP concluded on 31 May 2023 Final BAR to be submitted	Perceived impact on activities of small-scale fishers (therefore also community livelihood) linked to impacts on fish as a result of an increase in underwater noise levels.
Karpowership – Gas to Power at the Port of Ngqura, Eastern Cape	Proposed Gas to Power via Powership Project at the Port of Ngqura, Nelson Mandela Bay Metropolitan Municipality, Eastern Cape.	Proposed	Impact on cultural heritage due to increased ambient noise levels and visual impacts.
The Coega Development Corporation (CDC) gas to power Project, including three power plants and associated infrastructure, within the Coega Special Economic Zone (SEZ), and Port of Ngqura, 20 km northeast of Gqeberha	<p>The Project includes:</p> <ul style="list-style-type: none"> <li>• A Liquefied Natural Gas (LNG) terminal, consisting of a berth with offloading arms within the Port of Ngqura, cryogenic pipelines, storage and handling facilities and re-gasification modules (both on and offshore).</li> <li>• LNG Infrastructure, FSRU, Gas pipelines and distribution hub, for the transmission, distribution and reticulation of natural gas within the Coega SEZ and Port of Ngqura.</li> <li>• Three Gas to Power plants, each with a 1000 MW generation capacity (specific generation technologies may vary).</li> <li>• Electricity transmission connecting powerlines to evacuate distribute electricity to the previously approved 400 kV lines in the SEZ.</li> </ul>	Proposed No environmental authorisation secured to date.	Impacts on community, health and safety due to effect on air quality.
R102 Road upgrade in Mossel Bay	Department of Transport and Public Works (DTPW) upgrade to a portion of the R102 between Hartenbos and Great Brak River.	Existing	Positive impact on community livelihood and women and vulnerable groups in terms of job creation whether direct, indirect or induced.

Project title	Description	Status	Key Cumulative Impact Considerations
Gourikwa Power Station, Mossel Bay, Western Cape	740MW open gas turbine power station commissioned in 2007. The PetroSA GTL facility supplies the fuel, which is diesel, via a pipeline.	Existing	Community health, safety and security impacts linked to air quality and GHG emissions.

### 3.8 Local economic development projects

#### 3.8.1 LED project identification and selection

As outlined in Table 1, this first Block11B/12B SLP will target specific municipalities for the various elements of the SLP. The Applicant has made provision in this SLP for skills development, including adult education and training, portable skills training, learnerships, bursaries and internships that will be extended to community members in various municipalities within the IZOI and primary study areas.

For the LED element, the Applicant will target two municipalities that fall within the IZOI (MBM and GLM) given the proximity of these municipalities to early activities that will commence soon after granting of a production right.

Given that this is the first SLP that will form part of the production right, if it is granted, the Applicant will be required to implement certain LED projects before the gas market development period has concluded (i.e. before there is certainty that there will be a profitable business), and before construction phase activities have commenced (i.e. long before the business is generating an income). As such, it is difficult for the Applicant to commit to large scale infrastructure upgraded projects at this stage. The Applicant has furthermore taken heed of requests by local community members to place strong emphasis on skills development. It is within this context that the current SLP LED programme should be seen.

During the pre-application phase of the proposed Block11B/12B offshore production right application, the Applicant held meetings with MBM to secure information to guide the selection of potential LED projects. After submission of the production right application, during the 180-day consultation timeframe, the Applicant engaged further with MBM and GLM to secure information that informed the Applicant's selection of possible LED projects. A record of the outcome of the meetings with MBM and GLM is included in APPENDIX 2 and 3 respectively.

The selection of the proposed projects/programmes was informed by needs and priorities detailed in the MBM and GLM IDPs; a list of possible projects provided by MBM and GLM; the South African Economic Reconstruction and Recovery Plan; the Applicant strategic priorities and SLP specific comments received from registered I&APs during the ESIA process undertaken in 2023 (see APPENDIX 4.1).

From the list of possible projects provided by MBM and GLM, the Applicant selected income generating and infrastructure projects which cut across various wards (see Table 21 and Table 22).

For MBM, all projects fall within the top 10 priority needs identified in the respective wards during the statutory IDP processes undertaken by MBM in terms of the Municipal Systems Act 32 of 2000 (MSA). A similar approach was followed for GLM. Chapter 4 of the MSA mandates



minimum public consultation requirements that a municipality must adhere to prior to adopting a final IDP (MSA Section 28). Section 29 of the MSA specifically mandates both consultation with, and participation of local communities in identifying development needs and priorities that will be included in the final IDP. Both MBM and GLM followed extensive public participation processes in accordance with the MSA regulatory requirements. Community needs and development priorities communicated during the IDP public consultation processes for MBM are reflected in the current IDPs and by extension, in the SLP project selection outlined in Table 21 and Table 22.

*Table 21: Community development needs in MBM*

<b>General</b>	<b>Project name</b>	<b>Type of project</b>
Economic development	Business Incubator Programme	Income generation
Economic development / green economy	Community / Household Gardens	Income generation
Economic development	Youth Development Programmes	Income generation
Power / green economy	Provision of solar water geysers	Infrastructure
Economic development	Programmes to empower women and vulnerable people	Income generation

*Table 22: Community development needs in GLM*

<b>General</b>	<b>Specific</b>	<b>Type of project</b>
Economic development	Construction of Informal Trading Stalls	Income generation

The proposed list of selected projects provided in Table 21 and Table 22 should be seen as a step in an ongoing collaborative process, which will involve further consultation with all relevant stakeholders. Should the production right be granted, the Applicant will embark upon a detailed design and planning process to secure successful implementation of the proposed LED projects.

In subsequent periodic SLP Review processes mandated in terms of Regulation 46B under the current regulatory framework, the Applicant will engage with other municipalities within the IZOI. For this first SLP, other municipalities located within the IZOI and primary study area will be targeted for benefits described in Section 2 which include bursaries, internships, learnerships, AET and other interventions that could advance skills development.



### 3.8.2 LED projects overview and budget summary

A preliminary list of potential community development projects for inclusion in the Applicant's proposed SLP is outlined Table 23, summary project plans in the required SLP Guideline Annexure A format are provided in Sections 3.8.3 to 3.8.8.

As per PASA requirements, the roll-out of the LED projects that will form part of the approved SLP should commence soon after the production right has been granted.

Table 23: Budget provision for LED projects (MBM and GLM)

Project name	2027	2028	2029	2030	2031	Total estimated budget
	(ZAR)	(ZAR)	(ZAR)	(ZAR)	(ZAR)	(2027 – 2031) (ZAR)
MBM: Business Incubator Programme	0	0	3,333,333	3,333,333	3,333,333	10,000,000
MBM: Community / Household Gardens	500,000	500,000	1,000,000	1,000,000	1,000,000	4,000,000
MBM: Youth Development Programmes	0	0	800,000	800,000	800,000	2,400,000
MBM: Provision of solar water geysers	0	0	0	3,750,000	3,750,000	7,500,000
MBM: Programmes to empower women and vulnerable people	0	0	500,000	500,000	1,000,000	2,000,000
<b>MBM: sub-total</b>	<b>500,000</b>	<b>500,000</b>	<b>5,633,333</b>	<b>9,383,333</b>	<b>9,883,333</b>	<b>25,900,000</b>
GLM: Construction of Informal Trading Stalls	250,000	250,000	1,860,000	3,000,000	5,000,000	10,360,000
<b>Total</b>	<b>750,000</b>	<b>750,000</b>	<b>7,493,333</b>	<b>12,383,333</b>	<b>14,883,333</b>	<b>36,260,000</b>

### 3.8.3 Business incubator programme (MBM)

Project name	Business Incubator Programme	Project classification	Income generating
Project background	<p>Support for small business within MBM is a key municipal LED strategic focus area to promote local economic growth and employment.<sup>23</sup> The Business Incubator Programme is for Small Medium Micro Enterprises (SMMEs), making subsidized business space available where they can do business. The programme also involves training and mentoring the business owners to grow their business and linking them with funding to help expand their business. The programme typically runs for five years, for each business.</p> <p>As an extension of an ongoing initiatives to support development of small in the area, the Applicant will provide the following:</p> <ul style="list-style-type: none"> <li>• Supply of office equipment to small businesses to assist them to grow their businesses.</li> <li>• Provide laptops and once-off support for software licences for small businesses enabling them to digitize and effectively market their business.</li> <li>• Procure services of certified trainers/mentors, either independently or in consultation with MBM; advertise mentoring opportunities either via existing MBM structures or independently; monitor attendance; and assist with developing course content if applicable.</li> </ul> <p>Construct a “Business Hive”/Small Scale Business Park which will benefit local residents by creating business premises, thereby supporting opportunities for job creation. This component of the project will include planning, procurement and management of construction related activities. Once a suitable site has been identified and all zoning, permitting and utility access (i.e. water, waste and electricity) has been arranged by MBM, the Applicant will work with MBM to plan, design and execute the various agreed project components. The budget will include discussions with MBM and all role-players to agree the final project scope, all project planning, admin of the procurement process and construction management. A MOU will be agreed with MBM after granting of the production right. The MOU will outline specific roles and responsibilities during the scoping, planning, construction and project-handover phases.</p> <ul style="list-style-type: none"> <li>• After construction, the facility will be handed over to MBM for ongoing operation and maintenance in accordance with the applicable Municipal By-Law and MBM procedures.</li> </ul> <p>While this is an ongoing initiative, MBM is unable to reach all potential beneficiaries in the municipality due to resource and funding limitations. As such, the Applicant will assume full responsibility for planning, design and execution of the various agreed project components. The project can therefore be regarded as a new project within an existing programme/an expansion of an existing programme. A conservative estimated of approximately 300 people within the local will benefit from this project.</p>		

<sup>23</sup> Mossel Bay Municipality 2022-2027 Local Economic Development Strategy (MBM LED Strategy) 24.

**Offshore Block 11B/12B | Social and Labour Plan (2027-2031)**

Project name	Business Incubator Programme				Project classification			Income generating	
Geographical location of the LED project	District Municipality			Local Municipality			Village name /ward		
	Garden Route District Municipality			Mossel Bay Municipality			Mossel Bay – cuts across all wards		
Responsible entity	MBM / the Applicant			Timeframe / budget					Total budget
Output	KPA	KPI	2027	2028	2029	2030	2031	10,000,000	
Final approval by all key role players to implement the project	Engage with MBM to confirm specifics of support and agree on the way forward	Minutes of meetings and other agreed documents to confirm approvals							
MOU signed between the MBM and the Applicant	Prepare MOU that defines roles, responsibilities and commitments	Signed MOU							
Procure equipment from various suppliers	Engage with suppliers to secure quotes	Agree final pricing and delivery arrangements.							
Supply and delivery of equipment and ‘Skarrel Huisies’	Project completed, handed over and signed off.	Completed assignment with sign-off / proof of delivery.							
Annual and total budgets					3,333,333	3,333,333	3,333,333	10,000,000	
Potential job opportunities that could be created during execution of the LED project									
Classification of jobs	Males	Females	Youth Males	Youth Females	Total		Comments		
Short term	5	1	5	1	12		Estimates based on similar projects		
Medium term									
Long term									
Completion date and exit strategy	Upon completion, the responsibility for ongoing repairs and maintenance will revert to MBM/project beneficiaries. This will be described in the MOU to be signed between MBM and the Applicant prior to commencement of the LED project.								

### 3.8.4 Community / Household Gardens (MBM)

Project name	Community / Household Gardens		Project classification			Income generating		
Project background	Support for the establishment of household and community gardens within MBM is a key community development initiative to help promote food security and improve household nutrition throughout MBM. <sup>24</sup>							
	As an extension of an ongoing initiative to support establishment of household food gardens and community gardens across all wards in MBM, the Applicant will providing water tanks, drip-irrigation systems, and garden tools/implements.							
	The municipality has identified available land across various wards for the establishment of community gardens. While this is an ongoing initiative, MBM is unable to reach all potential beneficiaries in the municipality due to resource and funding limitations. As such, the Applicant will assume full responsibility for planning, design and execution of the various agreed project components. The project can therefore be regarded as a new project within an existing programme/an expansion of an existing programme. The project will benefit approximately 1 000 local residents of MBM.							
Geographical location of the LED project	District Municipality		Local Municipality			Village name /ward		
	Garden Route District Municipality		Mossel Bay Municipality			Mossel Bay – cuts across all wards		
Responsible entity	MBM / the Applicant		Timeframe / budget					Total budget
Output	KPA	KPI	2027	2028	2029	2030	2031	4,000,000
Final approval by all key role players to implement the project	Engage with MBM to confirm specifics of support and agree the way forward	Minutes of meetings and other agreed documents to confirm approvals						
MOU signed between the MBM and the Applicant	Prepare MOU that defines roles, responsibilities and commitments	Signed MOU						
Procure equipment from various suppliers	Engage with suppliers to secure quotes	Agree final pricing and delivery arrangements						

<sup>24</sup> Mossel Bay Municipality 2022-2027 Fifth Generation Integrated Development Plan (MBM IDP) 123.

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Project name	Community / Household Gardens		Project classification			Income generating		
Supply and delivery of equipment	Project completed, handed over and signed off	Completed assignment with sign-off / proof of delivery.						
Annual and total budgets			500,000	500,000	1,000,000	1,000,000	1,000,000	4,000,000
Potential job opportunities that could be created during execution of the LED project								
Classification of jobs	Males	Females	Youth Males	Youth Females	Total	Comments		
Short term	5	1	5	1	12	Estimates based on similar projects		
Medium term								
Long term								
Completion date and exit strategy	Upon completion, the responsibility for ongoing repairs and maintenance will revert to MBM/project beneficiaries. This will be described in the MOU to be signed between MBM and the Applicant prior to commencement of the LED project.							

### 3.8.5 Youth Development Programmes (MBM)

Project name	Youth Development Programmes		Project classification			Income generating		
Project background	Support for training and skills development initiatives, particularly for youth and unemployed people has been identified a priority need across several Wards in MBM. <sup>25</sup> As an extension of an ongoing initiative to support skills development and training initiatives across all wards in MBM, the Applicant will procure services of certified trainers, either independently or in consultation with MBM; advertise course availability either via existing MBM structures or independently; monitor attendance; and assist with developing course content if applicable. Existing facilities in various community halls can be used for training purposes. While this is an ongoing initiative, MBM is unable to reach all potential beneficiaries in the municipality due to resource and funding limitations. As such, the Applicant will assume full responsibility for planning, design and execution of the various agreed project components. The project can therefore be regarded as a new project within an existing programme/an expansion of an existing programme. The project will benefit approximately 1 000 local residents of MBM.							
Geographical location of the LED project	District Municipality		Local Municipality			Village name /ward		
	Garden Route District Municipality		Mossel Bay Municipality			Mossel Bay – cuts across all wards		
Responsible entity	MBM / the Applicant		Timeframe / budget					Total budget
Output	KPA	KPI	2027	2028	2029	2030	2031	2,400,000
Final approval by all key role players to implement the project	Engage with MBM to confirm specifics of support and agree the way forward	Minutes of meetings and other agreed documents to confirm approvals						
MOU signed between the MBM and the Applicant	Prepare MOU that defines roles, responsibilities and commitments	Signed MOU						
Procure services of qualified training service providers	Engage with suppliers to secure quotes	Agree final pricing training schedules						

<sup>25</sup> MBM IDP (note 24 above) 94, 95, 96.

## Offshore Block 11B/12B | Social and Labour Plan (2027-2031)

Project name	Youth Development Programmes			Project classification			Income generating		
Training completed in accordance with agreed outcomes	Undertake training according to agreed schedule and outcomes	Trainee attendance records							
Annual and total budgets					800,000	800,000	800,000	2,400,000	
Potential job opportunities that could be created during execution of the LED project									
Classification of jobs	Males	Females	Youth Males	Youth Females	Total	Comments			
Short term	10	10	5	5	30	Estimates based on similar projects			
Medium term									
Long term									
Completion date and exit strategy	Details regarding specified training initiatives will be described in detail in the MOU that will be signed between MBM and the Applicant prior to commencement of the LED project.								



### 3.8.6 Provision of solar geysers (MBM)

Project name	Provision of solar water geysers		Project classification			Infrastructure		
Project background	Support for the rollout of solar water geysers to households within MBM is a key intervention that will advance the transition to a low carbon economy. <sup>26</sup> As an extension of an ongoing initiative to support households to alleviate the financial burden associated with high electricity costs, the Applicant will provide 3 000 households across MBM with solar water geysers. While this is an ongoing initiative, MBM is unable to reach all potential beneficiaries in the municipality due to resource and funding limitations. As such, the Applicant will assume full responsibility for planning, design and execution of the various agreed project components. The project can therefore be regarded as a new project within an existing programme/an expansion of an existing programme.							
	District Municipality		Local Municipality			Village name /ward		
Geographical location of the LED project	Garden Route District Municipality		Mossel Bay Municipality			Mossel Bay – cuts across all wards		
Responsible entity	MBM / the Applicant		Timeframe / budget					Total budget
Output	KPA	KPI	2027	2028	2029	2030	2031	7,500,000
Approval by all key role players to implement the project	Engage with MBM to confirm support for the project and agree the way forward	Minutes of meetings and other agreed documents to confirm approvals						
MOU signed between the MBM and the Applicant	MOU that defines the roles and responsibilities of both MBM and the Applicant	Signed MOU						
Appointment of contractors/ supplies on a quotation/tender basis	Prepare and publish procurement documents	Bids received from various vendors						
Supply and installation of solar water geysers	Project completed and signed off	Completed assignment with sign-off for work						

<sup>26</sup> MBM IDP (note 24 above) 254.

# Offshore Block 11B/12B | Social and Labour Plan (2027-2031)

Project name	Provision of solar water geysers			Project classification			Infrastructure		
		undertaken by contractors							
Annual and total budget						3,750,000	3,750,000	7,500,000	
Potential job opportunities that could be created during execution of the LED project									
Classification of jobs	Males	Females	Youth Males	Youth Females	Total	Comments			
Short term	5	1	5	1	12	Estimates for supply and installation based on similar projects			
Medium term									
Long term	1		1		2	Estimates for ongoing routine maintenance based on similar projects			
Completion date and exit strategy	Upon completion, the responsibility for ongoing repairs and maintenance will revert to MBM. This will be described in the MOU to be signed between MBM and the Applicant prior to commencement of the LED project.								

**3.8.7 Programmes to empower women and vulnerable people (MBM)**

Project name	Programmes to empower women and vulnerable people		Project classification			Income generating		
Project background	Programmes for vulnerable people within the whole municipal area, skills development, arts and crafts and employment. With the Applicant support, a broader base of women and vulnerable people across the entire municipal area could benefit from these programmes. As an extension of an ongoing initiative to empower women and vulnerable people, the Applicant will procure services of certified trainers and other service providers, either independently or in consultation with MBM; advertise course availability either via existing MBM structures or independently; monitor attendance; and assist with developing course content if applicable. Existing facilities in various community halls can be used for training purposes. While this is an ongoing initiative, MBM is unable to reach all potential beneficiaries in the municipality due to resource and funding limitations. As such, the Applicant will assume full responsibility for planning, design and execution of the various agreed project components. The project can therefore be regarded as a new project within an existing programme/an expansion of an existing programme.							
Geographical location of the LED project	District Municipality		Local Municipality			Village name /ward		
	Garden Route District Municipality		Mossel Bay Municipality			Mossel Bay – cuts across all wards		
Responsible entity	MBM / the Applicant		Timeframe / budget					Total budget
Output	KPA	KPI	2027	2028	2029	2030	2031	2,000,000
Final approval by all key role players to implement the project	Engage with MBM to confirm specifics of support and agree the way forward	Minutes of meetings and other agreed documents to confirm approvals						
MOU signed between the MBM and the Applicant	Prepare MOU that defines roles, responsibilities and commitments	Signed MOU						
Procure services of qualified training service providers	Engage with suppliers to secure quotes	Agree final pricing training schedules						
Training completed in accordance with agreed outcomes	Undertake training according to agreed schedule and outcomes	Trainee attendance records						
Annual and total budget					500,000	500,000	1,000,000	2,000,000

## Offshore Block 11B/12B | Social and Labour Plan (2027-2031)

Project name	Programmes to empower women and vulnerable people			Project classification		Income generating
Potential job opportunities that could be created during execution of the LED project						
Classification of jobs	Males	Females	Youth Males	Youth Females	Total	Comments
Short term	10	10	5	5	30	Estimates based on similar projects
Medium term						
Long term						
Completion date and exit strategy	Details regarding specified training initiatives will be described in the MOU that will be signed between MBM and the Applicant prior to commencement of the LED project.					

### 3.8.8 Construction of Informal Trading Stalls

The Applicant in consultation with GLM has identified an infrastructure development project for inclusion in the SLP. In selecting a suitable project that is aligned with needs identified in the GLM IDP, the Applicant prioritised the following:

- Project that is likely to be sustainable in the long term.
- Project that will make a difference across a broad range of wards within GLM.
- Green economy project.
- Project that will promote social upliftment (poverty alleviation particularly among youth and women).
- Projects that will have a high impact in terms of:
  - job creation
  - income generation
  - capacity building
  - vocational training

Based on these considerations, provision of Informal Trading Stalls has been identified as a suitable project. A letter of support from GLM is included in APPENDIX 3.

Project name	Construction of Informal Trading Stalls	Project classification	Income Generating
Project background	<p><b>BACKGROUND</b></p> <p>Informal Trading in GLM is "an enabled, integrated, well-supported and dynamic informal sector that plays an important role in the George economy."<sup>27</sup> The Informal Trading Division in GLM is responsible for the procedures of issuing permits, regulating trading spaces, and facilitating the roles and responsibilities of the various role players involved in the management of informal traders in George. The municipality currently has a number of designated areas in various Wards where Informal Traders are invited to apply for informal trading stands for a nominal fee. While a number of Informal Trading stalls are available within GLM, community members in other areas (e.g. Wards 12 and 17) have expressed a need for these facilities to be made available in their communities.</p> <p><b>PROJECT SCOPE</b></p> <ul style="list-style-type: none"> <li>GLM (Planning and Development Department), in collaboration with community leaders will identify suitable locations for the informal trading stalls based on requests received during the IDP process.</li> <li>All land acquisition, zoning and permitting will be undertaken by the Municipality. As such, GLM Planning and Development will be responsible for any surveys or studies that are undertaken prior to land acquisition, zoning and permitting. This will include surveys and work to install or upgrade municipal water and waste reticulation/connections.</li> <li>The proposed SLP LED project budget will include planning, procurement and management of construction related activities. Once a suitable site has been allocated and all zoning, permitting and utility access (i.e. water, waste and electricity) has been arranged by GLM, the Applicant will work with GLM to plan, design and execute the various agreed project components. The budget will include discussions with GLM and all role-players to agree the final project scope, all project planning, admin of the procurement process and construction management. A MOU will be agreed with GLM after granting of the production right. The MOU will outline specific roles and responsibilities during the scoping, planning, construction and project-handover phases.</li> <li>After construction, the facility will be handed over to GLM and communities for ongoing operation and maintenance in accordance with the applicable Municipal By-Law and GLM procedures.</li> </ul>		

<sup>27</sup> <https://www.george.gov.za/planning-development/local-economic-development/informal-trading-skills-development-capacity-building/>.

**Offshore Block 11B/12B | Social and Labour Plan (2027-2031)**

Project name	Construction of Informal Trading Stalls		Project classification			Income Generating		
Geographical location of the LED project	District Municipality	Local Municipality	Village name /ward					
	Garden Route District Municipality	George Local Municipality	Cuts across several wards but will likely target Ward 12: Thembaletu: Zone 8 (Portion), Zone 9 (Portion); and/or Ward 17: Convent Gardens, Conville, George Industrial (Portion), Mollenrivierrif, Rosemoore (Portion), Tamsui					
Responsible entity	GLM / the Applicant		Timeframe					Budget
Output	KPA	KPI	2027	2028	2029	2030	2031	10,360,000
Approval by all key role players to implement the project	Engage with GLM to confirm support for the project and agree the way forward	Minutes of meetings and other agreed documents to confirm approvals						
MOU signed between the GLM and the Applicant	MOU that defines the roles and responsibilities of both GLM and the Applicant	Signed MOU						
Appointment of contractors/ supplies on a quotation/tender basis	Prepare and publish procurement documents	Bids received from various vendors						
Construction and hand-over of Informal Trading Stalls	Project completed and signed off	Completed assignment with sign-off for work undertaken by contractors						
Budget/timeframe			2027	2028	2029	2030	2031	Total budget
			250,000	250,000	1,860,000	3,000,000	5,000,000	10,360,000



## Offshore Block 11B/12B | Social and Labour Plan (2027-2031)

Project name	Construction of Informal Trading Stalls			Project classification	Income Generating	
Potential job opportunities that could be created during execution of the LED project						
Classification of jobs	Males	Females	Youth Males	Youth Females	Total	Comments
Short term						To be confirmed.
Medium term						
Long term						
Completion date and exit strategy	Upon completion, the responsibility for ongoing management, repairs and maintenance will revert to GLM in line with existing procedures and municipal by-laws. <sup>28</sup> This will be described in the MOU to be signed between MBM and the Applicant prior to commencement of the LED project.					

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<sup>28</sup> Establishment, operation and management of Informal Trading Stalls is governed in accordance with the George Municipality Informal Trading By-Law 2023 (<https://www.westerncape.gov.za/assets/departments/premier/8832-extra-george-by-law.pdf>). Once Informal Trading Stalls become available, notices and invitations to apply for permits are published in the local media (<https://www.george.gov.za/notices/call-to-apply-for-an-informal-trading-permit/>). This process is managed by GLM (<https://www.george.gov.za/wp-content/uploads/2022/05/Informal-traders-application-form.pdf>). (see <https://www.george.gov.za/planning-development/local-economic-development/informal-trading-skills-development-capacity-building/> and <https://www.georgeherald.com/News/Article/General/trading-stands-set-up-in-pacaltsdorp-202107100422>)

### 3.9 SLP consultation activities

This section details consultation activities that informed preparation of the SLP. It will be updated upon completion of the current (2025) consultation process. The purpose of the current process is to communicate updates to the SLP since the previous round of consultation conducted in 2022/2023. A detailed record of the current consultation activities will be included in APPENDIX 5 – Public engagements (2025).

#### 3.9.1 Consultations prior to submission of the production right application

Meetings and discussions with PASA and MBM were held during compilation of the preliminary SLP as part of the Block11B/12B production right application. A summary of these engagements is provided in Table 24.

Table 24: Summary of consultations prior to application

Authority attendees	Meeting date	Meeting objectives
MBM Manager (Local Economic Development and Tourism); IDP and Public Participation Unit Lead; and Senior Clerk: Administrative Support	4 August 2021	To introduce the Applicant, the Block 11B/12B project; to initiate a discussion regarding the SLP and to share information regarding potential SLP LED projects
PASA Social Plan and Empowerment Assessment Officer	6 August 2021	To clarify PASAs expectations for preparation of the proposed SLP
MBM Manager (Local Economic Development and Tourism); Rural Development Officers; Youth Sport and Recreation Officers; IDP and Public Participation Unit Lead; and Senior Clerk: Administrative Support	9 September 2021	To obtain further information regarding specific MBM LED projects and programmes
Senior MBM Electrical Department representatives	15 September 2021	To provide an overview of the proposed SLP and initiate a dialogue regarding potential future electrical / LED projects
Prior to submission of the production right application, the Applicant engaged with MBM via email	14-25 October 2021	To refine its proposed selection of LED projects/programmes for further discussion during the next phase of the application process (see Annexure A).

#### 3.9.2 Consultations after acceptance of the production right application

After acceptance of the production right application by PASA in September 2022, the Applicant engaged further with key stakeholders regarding the SLP and aspects now included in the LED programme outlined in Section 3.8. A summary of these engagements provided in Table 25Error! Reference source not found..

*Table 25: Summary of meetings with authorities during the 180-day consultation period*

Authority attendees	Meeting date	Meeting objectives
PASA Social Plan and Empowerment Assessment Officer	14 November 2022	To clarify PASAs expectations for updating and the preliminary SLP submitted in September 2022.
GLM Deputy Director Strategic Growth and Development which includes Tourism; Local Economic Development; Investment Properties; Performance Management; Ward Committees; and Public Participation.	28 February 2023	<ul style="list-style-type: none"> <li>• Share information about the Block 11B/12B project and production right application.</li> <li>• Provide an overview of the SLP LED Programme that forms part of the production right application.</li> <li>• Open a dialogue with GLM with the goal of identifying LED projects to include in the SLP LED programme.</li> </ul>
MBM Manager (Local Economic Development and Tourism); Community Development Lead; Rural Development Officer; Small Business Development; LED Officer; SMME Assistant Officer; Senior Manager Electrical; IDP and Public Participation Unit Lead; Community Development Coordinator (Rural Areas); Strategic Services, Integrated Development Planning Unit; and Administrative Support.	2 March 2023	<ul style="list-style-type: none"> <li>• Provide an update on the Block 11B/12B project and production right application.</li> <li>• Provide an update of requirements for the SLP LED Programme communicated by PASA.</li> <li>• Provide an overview and request information that will be required for the next version of the SLP that will be made available for public comment.</li> <li>• Agree how best to proceed to secure the required information.</li> </ul>
GLM Manager (Local Economic Development and Tourism); Community Development Lead; Rural Development Officer; Small Business Development; LED Officer; SMME Assistant Officer; Senior Manager Electrical; IDP and Public Participation Unit Lead; Community Development Coordinator (Rural Areas); Strategic Services, Integrated Development Planning Unit; and Administrative Support.	17 April 2023	<ul style="list-style-type: none"> <li>• Provide GLM with an overview of the Applicant business operations.</li> <li>• Overview of the Applicant Community Engagement Programme.</li> <li>• Remind GLM to submit proposals for projects that could be included in the SLP LED programme.</li> </ul>
GLM Department of Youth and Entrepreneurs, Thembaletu and Pacaltsdorp.	25 May 2023	<ul style="list-style-type: none"> <li>• To introduce the Applicant Site Liaison Officer (SLO) for GLM.</li> <li>• To establish a communication platform between the Applicant and GLM.</li> <li>• Encourage GLM to submit proposals for projects that could be included in the SLP LED programme.</li> </ul>
GLM Department of Social Development and Strategic Services representing all wards. In attendance	30 May 2023	<ul style="list-style-type: none"> <li>• To introduce the Applicant's Site Liaison Officer (SLO) for GLM.</li> <li>• To establish a communication platform between the Applicant and GLM.</li> </ul>

Authority attendees	Meeting date	Meeting objectives
was the Manager, Gender & Disability and the Manager, Youth Desk		<ul style="list-style-type: none"> <li>Encourage GLM to submit proposals for projects that could be included in the SLP LED programme.</li> </ul>
GLM LED Department attended by LED Officials.	31 May 2023	<ul style="list-style-type: none"> <li>To introduce the Applicant's SLO for GLM.</li> <li>To establish a communication platform between the Applicant and GLM.</li> <li>Encourage GLM to submit proposals for projects that could be included in the SLP LED programme.</li> </ul>
GLM LED Department. Meeting with the Deputy Director LED.	1 June 2023	<ul style="list-style-type: none"> <li>To introduce the Applicant's SLO for GLM.</li> <li>To establish a communication platform between the Applicant and GLM.</li> <li>To follow up on information previously requested from GLM.</li> </ul>

A record of these engagements is included in APPENDIX 1, 2 and 3.

During the ESIA scoping phase consultation process undertaken in 2022 and 2023, the SLP was briefly introduced to I&APs at various online and in-person meetings. An outline of the nature and purpose of the SLP; and an indication of the SLP consultation process was presented at the meeting. Table 26 provides a list of meetings where the SLP was introduced.

*Table 26: Summary of meetings with I&APs during the 2022 ESIA Scoping Phase consultation*

Meeting description	Meeting Date	Meeting format
Garden Route District Municipality	05-Dec-22	Virtual Focus Group Meeting
Overberg District Municipality	05-Dec-22	Virtual Focus Group Meeting
Nelson Mandela Bay Metropolitan Municipality	07-Dec-22	Virtual Focus Group Meeting
Virtual Public Meeting	07-Dec-22	Virtual Public Meeting
City of Cape Town Metropolitan Municipality	08-Dec-22	Virtual Focus Group Meeting
Sarah Baartman District Municipality	10-Jan-23	Virtual Focus Group Meeting
Kwanonqaba, Mossel Bay	16-Jan-23	Two Public Meetings
Town Hall, Mossel Bay	17-Jan-23	Two Public Meetings
Commercial Fishers	18-Jan-23	Virtual Focus Group Meeting
Thembaletu Community Hall, George	18-Jan-23	Public Meeting
Khayelethu Community Hall, Knysna	19-Jan-23	Public Meeting
Kouga Local Municipality	19-Jan-23	Virtual Focus Group Meeting
Piesang Community Hall, Plettenberg Bay	20-Jan-23	Two Public Meetings
Seavista Hall, St Francis Bay	21-Jan-23	Public Meeting
Feather Market Hall, Gqeberha	24-Jan-23	Public Meeting
Memorial Hall, Port Alfred	25-Jan-23	Public Meeting
Municipal Hall, Kenton-on-Sea	25-Jan-23	Public Meeting
Scenery Park, East London	26-Jan-23	Public Meeting

Key SLP specific issues/suggestions raised during the ESIA Scoping Phase consultation process are as follows:

- Engagements with LED Managers of relevant local authorities must be done for the SLP.
- A Mossel Bay Community Development Trust should be set up as part of SLP to oversee the Applicant's investment into the Greater Mossel Bay.
- The Applicant should invest in communities in terms of job creation, infrastructure development, education and training, health and social welfare, significant business opportunities. Entrepreneurs would like to benefit throughout the procurement value chain.
- The South African Factory for Oceans Economy should be based in Mossel Bay to service the production, processing, and downstream activities to create jobs and grow the local economy in Mossel Bay.

### **3.9.3 SLP Regulation 42(3) consultation**

Upon acceptance of a production right application by PASA (not to be confused with granting of a production right), an applicant is required in terms of MPRD Regulation 42(3) to consult meaningfully with communities and I&APs on the contents of the SLP to ensure that it addresses relevant needs, and that it is aligned with the latest updated IDP.

This consultation must take place within 180 days from the date of receiving notification of acceptance of the production right application (19 September 2022). Given the complexity of the application, and the extent of the consultation process that was required, PASA agreed to an extension on the consultation and final submission timeframe. Consultation activities must follow minimum public participation process requirements prescribed in terms of the EIA Regulations.<sup>29</sup>

As such, the Applicant undertook a number of activities in compliance with the MPRD Regulations. A detailed record of these engagements is provided in APPENDIX 4 of this report. Below is a high-level summary of the activities that were undertaken in 2023 compliance with the MPRD Regulations:

- Informed all registered and potential I&APs in the local community of the draft SLP and proposed LED programme. I&APs were afforded a minimum 30-day period to comment on the draft SLP and proposed LED programme. The notice was made available via:
  - Newspaper and radio adverts placed in a local newspapers and local radios.
  - Notices placed on notice boards at places frequented by the local community such as the local municipality; magistrate court; libraries; or shops.

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<sup>29</sup> MPRD Regulation 42(4) read with Environmental Impact Assessment Regulations, 2014 GN R982 published in GG 38282 of 4 December 2014 (as amended).

- Emails or letters sent via ordinary mail. I&APs were also notified of the availability of the draft SLP via SMS and hand delivered Flyers.
- The draft SLP was made available on a publicly accessible website and on request via email or WhatsApp. Printed copies were placed at a number of publicly accessible places.
- During meetings convened as part of the ESIA draft EIA consultation process, the SLP Team presented elements of the SLP and invited comment from I&APs to ensure that the SLP addresses relevant needs, and that it is aligned with the latest updated IDP. The Applicant presented on aspects related to the Block 11B/12B project and the application.
- All comments received during the consultation process were included in a Comment and Response Register (CRR).
- A register of all I&APs was kept and updated throughout the public consultation process.
- Throughout the consultation process, the Applicant took care to comply with the requirements of the Protection of Personal Information Act 14 of 2013 at all times.

**A detailed record of consultation is included in APPENDIX 4.**

### **3.9.4 SLP publication after granting of a production right**

In terms of MPRD Regulation 46A, a production right holder must publish its approved SLP in English and one other dominant official language commonly used within the local community. The Applicant will publish the approved SLP in English, Afrikaans and isiXhosa. The approved SLP must be published within 30 days of approval using the following methods:

- Placing the SLP on a company website.
- Placing printed copies of the approved SLP at public places such as schools; public libraries; traditional council offices; and municipal offices.
- An announcement about the availability and content of the approved SLP must be made on local radio and published in a local newspaper.

### **3.9.5 Ongoing consultation on compliance with an approved SLP**

A production right holder is required to submit an annual report detailing how it has complied with obligations outlined in an approved SLP. In terms of MPRD Regulation 45, a right holder must convene a minimum of three meetings per annum with the local community and I&APs regarding progress made with implementing the approved SLP. The outcomes of these meetings must be included in the annual report submitted to PASA.

## **3.10 Housing and living conditions of employees**

### **3.10.1 Housing**

Given that the bulk of the proposed Block 11B/12B production activities will be undertaken offshore, the Applicant's anticipated workforce will reside within their respective communities in privately owned or rental accommodation. Within six months after commencement of

employment of the operational phase workforce and subsequently on an annual basis in the Annual SLP submissions, the Applicant will provide PASA with the following information to meet the requirements of Regulation 46(c)(iv):

- Status of available dwellings for employees in the region.
- Details of the labour sending municipality's strategy to address housing.
- Status of housing within the communities where employees reside.
- The preferred requirements for housing and living conditions of employees. After the initial submission, the Applicant will provide an annual update on progress towards realisation of the preferred requirements which could include private home ownership, government subsidised housing, rental accommodation, living out allowances, etc.

Some Applicant employees and contractors may be accommodated on an offshore Platform. In such circumstances, offshore living quarters will comply with all applicable norms, standards, guidelines and requirements.

### 3.10.2 Nutrition

An offshore platform / central processing platform will have a fully staffed galley/kitchen to ensure the provision of nutritious and balanced meals for persons on board (POBs). The kitchen area will be of sufficient size, and have the appropriate equipment, for the preparation of hot and cold food. The platform will also be equipped with dining rooms where POBs can have their meals. High quality nutritious, and well-balanced meals will be provided to meet the nutritional needs of POBs throughout the day. The Applicant appreciates the importance of a 'home away from home' environment and the important role that good food plays in improving morale, productivity, health, safety and overall well-being of POBs.

## 3.11 Procurement Progression Plan

Section 1.1.3 delineates a number of zones of influence which were identified through various studies undertaken for the application of the production right. These zones of influence were delineated as the immediate zone of influence (IZOI) and the primary, secondary and tertiary study areas. These areas are described as follows:<sup>30</sup>

- **IZOI:** The IZOI comprises the areas where most of the development- and production-related activities will occur. The IZOI is the area that will supply auxiliary services to offshore activities, including accommodation, catering, and transport. The IZOI encompasses the Mossel Bay, George, and Knysna local municipal areas.
- **Primary study area:** The primary study area encompasses towns close to the shore that can accommodate marine servicing and manufacturing industries to supply goods and services required during the development and operations phases of the project. Such towns include Cape Town, Gqeberha, Saldanha Bay, and East London. Thus, the primary study area for the economic impact assessment was delineated as the stretch of land along the Indian and Atlantic Oceans between Saldanha Bay and East London.

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<sup>30</sup> Urban-Econ (note 4 above) 27.



- **Secondary study area:** The secondary study for the economic impact assessment area includes the provinces in which the IZOI and primary study area are located, namely the Western Cape and the Eastern Cape. While the production activities of the project are within the Western Cape, the proximity to the Eastern Cape may lead to this province benefitting from the initiative through the procurement of goods and services.
- **Tertiary study area:** The rest of South Africa is seen as the tertiary study area for the economic impact assessment, not only due to potential procurement benefits but also through the potential downstream impacts of an increase in local gas production on the national economy.

### 3.11.1 Preferential Procurement Principles

The Applicant is committed to the transformation of the South African economy and will develop preferential procurement policies that will support both the development of HDP suppliers as well as stimulate the economic diversification and growth within the various zones of influence. The Procurement Progression Plan will be informed by the requirements of the MPRDA regulations as well as those set out by PASA.

Because the production operation has not commenced, no procurement has taken place, but the following strategic priorities will inform future decisions:

- During the life of the production operation, HDP companies will be given preferential status for the supply of goods and services to the operation, provided that they comply with health, safety and environment, security & safety quality, price, schedule, quantity, suitability and delivery requirements.
- All local suppliers will be selected on a tendering procedure basis.
- the Applicant will develop a database to define the HDP and status of its potential suppliers, which will include elements of ownership as well as management.
- The production operation will, from inception, set up its procurement systems to track the ownership status of its suppliers in line with required B-BBEE classifications.
- Current and all future non-HDP suppliers will be either part of “strengthening, development” or JV programmes, depending on their level of competitiveness and importance to the Project.
- Suppliers will be encouraged to subcontract portions of their work to HDPs, or procure goods and services from HDPs, or otherwise assist in promoting the progression of HDPs in the industry.
- The production operation will consider implementing specific measures to promote HDP success, which may include breaking procurement contracts up into smaller packages; waiver or relaxation of deposits and guarantees; early payment cycles; and simplification of tender procedures, with simplified standard contracts. This will of course depend on the scope of work involved and the risk potential.
- Contractors will be required to maximize local content through the employment and training of HDPs:
  - HDPs should be provided opportunities to be recruited and to improve their skill sets and advance their capabilities.



- For all training and employment, first priority is given to HDPs.
- Through the provision of goods and services by local companies and HDPs.

Through technology transfer & capacity building programmes, aiming at enhancing the performance/capacity of local companies in petroleum activities to encourage local investment and participation.

Based on current planning, no operational phase procurement will take place during the life of this SLP (see Figure 2 and Figure 1). As such, no targets have been set to date. Additional studies and information gathering is needed to feed into the Preferential Procurement Programme. Nonetheless, the projected progressive preferential procurement targets for capital goods, consumables and services for the production operation will take into consideration the requirements of PASA.

The Operator and core contractors will each compile a Form T within six months of first gas based on procurement to that date. The Form T will be updated on an annual basis and submitted with the annual SLP Report. The applicant further undertakes to monitor compliance of their operations as well as the core contractors to ensure adequate and accurate data will be reported on in the first annual SLP Report submitted to PASA.

## 04 - Management of downscaling and retrenchment programmes

### 4.1 Processes pertaining to the management of downscaling and retrenchment

#### 4.1.1 Overview and objectives

An unavoidable outcome of closure of the production operation is the loss of employment opportunities. Consequently, a key consideration within the SLP is appropriate retrenchment and closure management programmes that are in place during the life of the production operation, alongside the HRD and LED Programmes, as well as at times of closure or downscaling.

The fundamental objectives of the plans for managing downscaling and retrenchment, in line with the ethos of the DEL's 'Social Plan' as well as the Labour Relations Act 66 of 1995 (LRA) are:

- To minimise as far as possible, job losses resulting from major restructuring or retrenchment exercises.
- To facilitate, as far as practically possible, access to alternative employment opportunities within the company on other operations or other local businesses where possible.
- To facilitate, as far as practically possible, access to suitable training programmes to enhance access to alternative employment outside the production operation or even the petroleum and energy industry.
- To mitigate negative social and economic impacts on local and regional economies and labour-sending areas should retrenchment or closure be required.
- To ensure the relevant processes for effective closure management are in place some four to five years prior to the planned closure of the production operation.
- To effectively communicate with key stakeholders, when appropriate, on the issue of retrenchment management as well as appropriate training and re-skilling programmes with the aim of sensitising the workforce (and the surrounding community) to the changes that will occur.

#### 4.1.2 Future Forum

The Applicant, in conjunction with the Operator, will manage any requisite negotiations with trade unions or worker representative organisations about retrenchment packages and agreements, in line with the LRA. In addition, Future Forum structures will be established by the Applicant as a forum to discuss issues around the life of production operation and potential downscaling and retrenchment.

The Future Forums will be established within six months after commencement of employment of the operational phase workforce with the fundamental objective of establishing communication channels with the workforce and the surrounding communities on

retrenchment and downscaling issues. In line with the DEL's guidelines on Future Forum structures, the mandate for the Future Forums will be to:

- Identify and analyse issues, problems, challenges and solutions surrounding job losses and retrenchment management.
- Establish and maintain a channel of communication between management, employees and their representatives on issues surrounding retrenchment, redeployment and appropriate training programmes as well as the broader SLP issues. Furthermore, the communication channel will facilitate knowledge amongst the workforce on the current status of the production operation's business plan with a particular focus on risks to employment levels in the near future with a view to making the labour force aware of any potential retrenchment programmes as well as the expected life of the production operation.
- To develop appropriate and acceptable plans of action for production and employment turnaround strategies as well as the inevitable downscaling period.
- To facilitate access to various external support structures as required, including the DEL and relevant SETA.
- To ensure continuous assessment and reporting on the progress of retrenchment management programmes specifically and broad progress against the various SLP objectives.

## **4.2 Mechanisms to save jobs and avoid job losses and a decline in employment**

### **4.2.1 Overview**

Despite this, during the life of the production operation, downscaling of operations may be inevitable because of severe interruptions in production, the completion of certain phases of the production process, the reduction in profitability of the operation as a result of external market forces or changes to the company's business plan. Such events may necessitate a review of the manpower complement and a need to establish mechanisms to avoid, as far as possible, the loss of jobs. In order to determine creative mechanisms to save jobs and avoid job losses the Applicant is committed to a process of consultation with relevant stakeholders, including trade unions, worker representative committees, and/or affected employees. Employees of contractors will be covered by the processes outlined by the contracting companies which must align with the principles outlined below.

In compliance with relevant legislation, on identifying the need to curtail production operations should the profit to revenue ratio of the relevant operation be less than six percent (6%) on average for a continuous period of 12 months or should ten percent (10%) or more of the workforce (or more than 500 employees) have to be retrenched, a comprehensive consultation process with the relevant trade union structures, worker representative committees or affected employees will commence.

#### **4.2.2 Notification to government authorities**

The DEL and the DMRE (specifically the Minerals and Mining Development Board) in accordance with Section 52(1) (a) of the MPRDA will be notified of the need for downscaling and retrenchment processes as and when required during the life of the production operation and four to five years prior to the end of the life of the production operation. The government authorities will be given notice of the timeframe for the closure process as well as the ongoing consultation and details within the Social Plan as discussed through Future Forum structures. Regular progress reports will subsequently be distributed to the necessary departments. The Board's directive will be complied with in order to meet the corrective measures as stipulated by the Board.

#### **4.2.3 Strategic plans for providing employment security**

Planning for the Social Plan and its associated job loss and retrenchment management programmes will continue during the life of the production operation. Every effort will be made to facilitate employment security through a sound, operational production operation. The production operation's business plan will endeavour to ensure the operation remains viable in the prevailing economic climate and market conditions. In this way, every effort will be made to avoid the need for downscaling and retrenchment.

In order to avoid job losses, the company may explore a number of creative solutions. In addition to the above, the company may consider other alternatives including:

- Extended unpaid leave for employees during which time the company will maintain the employees' benefits and service.
- Job-sharing where two or more employees share the same job. This would generally work in tandem with the reduction of the number of hours each employee would work in any week.
- Reducing overall working hours and/or the number of shifts worked.
- Multi-skilling of employees to allow them to assume other positions within the company and to make them more marketable.

In addition, the continued focus on developing portable skills within the workforce throughout the life of production operation in line with the Manpower Plan and the Skills Development programmes at the production operation, will facilitate the acquisition of a range of skills by employees, portable both within and external to the petroleum and energy industry, which are of value when downscaling and if retrenchment cannot be avoided.

### **4.3 Mechanisms to provide alternative solutions and procedures for creating job security where job losses cannot be avoided**

#### **4.3.1 Overview**

In compliance with Section 52 (1) of the MPRDA, on identifying the need to scale down or cease production which will result in the need for retrenchment of the workforce, a comprehensive consultation process with the relevant worker representative committee as well as all affected employees will commence in accordance with the provisions of Sections 189 and 189a of the LRA – see Figure 12 below.

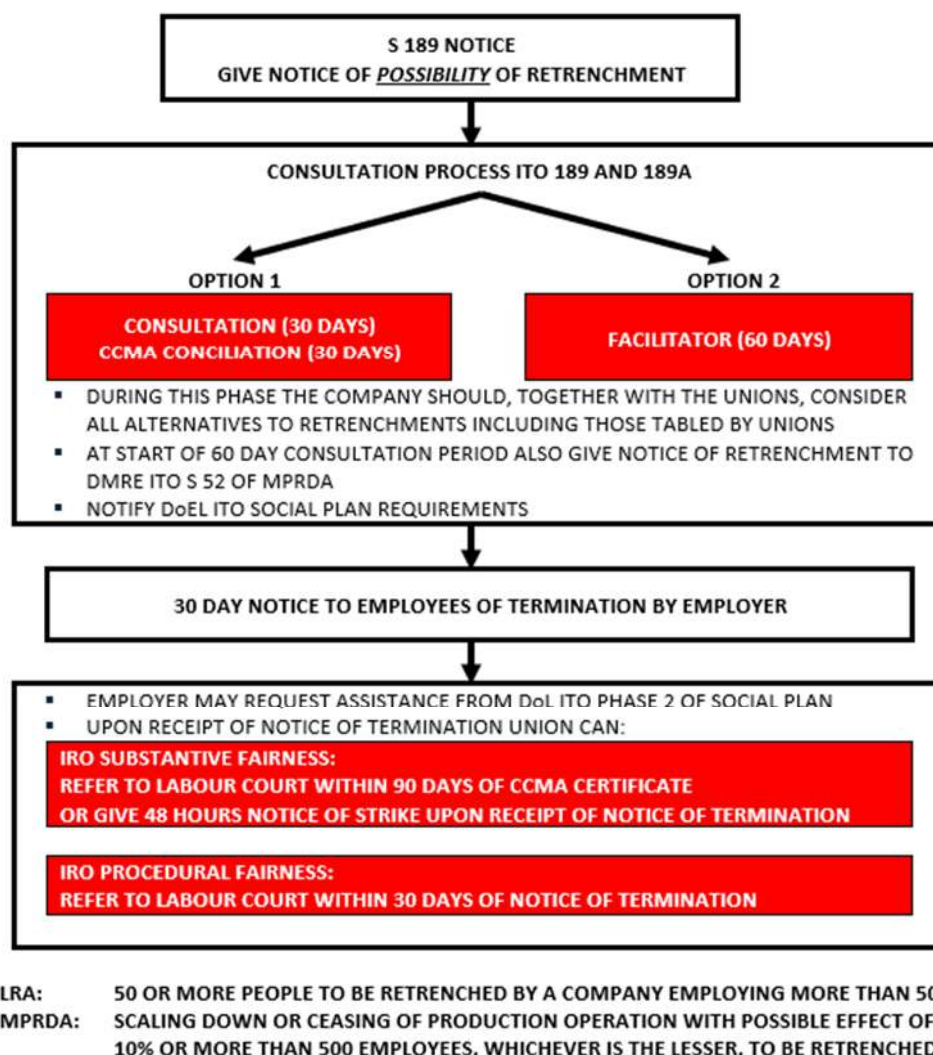


Figure 12: Flowchart: Statutory Requirements in respect of Large-scale Retrenchments

### 4.3.2 Strategic plans for providing alternative employment

The HRD Programme will be designed to facilitate the workforce's access to accredited training and certified skills which can be utilised, within and outside the petroleum, energy, engineering and marine sectors following employment at the production operation.

It is the Applicant's aim to assist employees in moving out of the company with as little stress as possible to those affected. All employees who have been involved in a retrenchment exercise should feel that they have been kept informed openly and continuously, and that the company has been professional and responsible towards them through the exercise. Assistance, in line with the DEL's Social Plan and largely facilitated through the Department's established structures, may be offered by way of:

- Personal counselling: on both a macro and micro level involving the needs of both individual employees and groups of employees. This will be extended to those directly affected and may also be given to those left behind.

- Redeployment: where feasible, internal redeployment procedures will be explained and guidance offered for making job applications to demonstrate the company's commitment to the people involved.
- Financial issues: employees affected by the retrenchment exercise will be advised on the terms of their retrenchment, benefits and financial options, and will receive financial counselling through the company, with particular focus on the preservation of finance according to their family needs. Assistance will also be provided to employee's in claiming UIF and other state assistance if required.
- Employees affected by the retrenchment exercise will be introduced to an outplacement and career transition consultancies as well as Job Advice Centres in the local community or the relevant labour source community.
- Financial provision will be made to assist interested employees affected by retrenchment in obtaining skills to enhance their marketability outside of the company.
- The production operation will refocus a portion of its HRD financial undertakings towards up-skilling or retraining for self-employment and/or re-employment of employees who may either face the prospects of retrenchment or not be able to be reabsorbed into the employment market.
- For those who are not retrenched: creative interventions need to be put in place by the company to deal with these employees after a major retrenchment programme. Such programmes will deal with issues such as doing additional work, retraining, etc.
- Assistance with registering as a jobseeker (with the relevant DEL, employment agency or other local production operations), job-hunting and job application processes.
- Assistance may be offered to employees affected by retrenchment via networking with other local companies to proactively seek suitable employment outside the company.

#### **4.4 Mechanisms to ameliorate the social and economic impact on individuals, regions and economies where retrenchment or closure of the operation is certain**

##### **4.4.1 Overview**

Although the HRD and LED Programmes (chapters 2 and 3) have been planned and will be implemented with the objective of facilitating sustainable social and economic growth in local communities during the life of the Operation, additional measures for managing the impact of closure on the local community and labour source communities at key points will be necessary.

Detailed planning some four to five years prior to the scheduled closure of the production operation will take place in conjunction with the affected stakeholders and the relevant government departments. The production operation cannot provide the ultimate closure or post-closure plan for the operations in terms of the socio-economic impact. The very nature of low-income communities, dependent on the operation for a substantial period of time necessitates flexible and appropriate closure planning utilising those community structures



that exist at the time of closure. The socio-economic circumstances in the area at the time of closure are impossible to predict.

A socio-economic impact analysis (SEIA) will, therefore, be carried out by specialist consultants prior to commencing detailed closure planning and will incorporate interaction with community structures and the Future Forum. A review of original closure plans will also be carried at this stage to refresh knowledge of original motivations, commitments, guidelines and policies.

#### **4.4.2 Communication with stakeholders**

The development of the closure plan will place great emphasis on comprehensive and sensitive consultation with all stakeholders, including local businesses (both reliant on and independent of the operation). Consultation and communication with stakeholder groups from local source communities, relevant government departments and local business forums will also be carried out. These stakeholders may participate in the established Future Forums or a sub-committee thereof and facilitate discussions on priorities for local economic development within the closure planning framework to ensure community interventions are sustainable during closure periods.

#### **4.4.3 Strategic plans for managing the social and economic impact**

The approach to managing the social and economic impact of the closure of the production operation and/or retrenchments must, of necessity, be multi-focused. A variety of diverse strategies, as outlined below, are envisaged to assist the Applicant, in conjunction with the Operator, in managing this as and when required.

#### **4.4.4 Capacity building in local business**

The Applicant will assist local businesses and retrenched employees who wish to set up their own businesses, through informal, ad hoc mechanisms. The Applicant's corporate social responsibility programme and its mentorship programme will operate in this regard under the following principles:

- Through continued involvement, the Applicant will offer support, guidance and assistance to local businesses during the life of the production operation and interested employees at times of retrenchment.
- The mentorship role will have a clear purpose and well-defined objectives.
- The climate in which mentorship operates will be supportive and will endeavour to meet the needs of local business and interested retrenched employees.
- The relationship will endeavour to be sustainable.
- The mentorship programmes will attempt to grow and change with the changing needs and priorities of local businesses and interested retrenched employees.
- Measures will be established to sustain the momentum generated at the establishment of the programme.
- Attempts to adopt a spirit of entrepreneurship among local businesses and interested employees will be fostered.

The Applicant will endeavour, through its involvement with local business and through its retrenchment programme, to provide a mentoring role as and when feasible. This mentoring role will be implemented through:

- An analysis of the needs of the relevant organisations/communities.
- Consultation with relevant stakeholders.
- Implementation of programmes and support planned in conjunction with all the relevant stakeholders.

Development support will be ongoing and will focus on a variety of competencies according to needs and through a process of experiential and adult learning whereby existing knowledge, skills and social norms are incorporated and built on. The programmes will be monitored and improvements made where necessary and success stories celebrated.

#### **4.4.5 Portable skills**

Skills Portability will be a key strategy during the life of the production operation. During downscaling exercises, the Applicant, in conjunction with the Operator, will ensure that skills development for those employees facing retrenchment takes place - this will be in addition to skills development initiatives that take place during the life of the production operation. Such skills development will not only focus on production-related skills training but also provide the opportunity to transfer to other industries and promote employability. This will allow a process of building skills that are nationally recognised, building on existing employees skills, closing development gaps and enable employees to pursue a career path. In addition to this business-related capacity building will take place where applicable.

The Applicant, in conjunction with the Operator, will endeavour to ensure that production-related training will, wherever practical, be linked to the NQF. All training to be undertaken at the production operation will be evaluated to ensure that it provides skills that are portable within –and, where possible, outside- the petroleum and energy industry. Specific attention will be paid to non-production-related training to ensure that these skills will also be provided through accredited trainers. The principles underlying portable skills training are:

- To ensure that employees' existing skills are recognised and, where feasible, further training qualifications are recognised nationally.
- To enable employees to manage their careers by identifying, with their manager, the skills gaps that exist and addressing these by enhancing or supplementing business-aligned training with complementary, portable skills.
- To improve customer satisfaction and then improve profitability by reducing costs and, where possible, increase profitability.
- To enable employees to remain economically active following retrenchment or closure of the production operation.

The Applicant, by aligning its skills development programmes during the life of production operation with the NQF and unit standards, will ensure that such skills development is recognised nationally and is, therefore, portable. In this way, and by the provision of skills that are non-production specific, employees will be provided with the potential to remain



economically active. The costs of portable skills development undertaken during the life of production operation will be included in the overall HRD spend.

Further, a fund will be made available as part of the HRD budget to facilitate employees in redundant positions to obtain additional training in a variety of areas (such as SMME, farming or other marketable activities) to enable them to remain economically active in the community. As the exact needs of the individuals at the time of closure of the production operation and/or retrenchment are hard to predict, it is difficult to plan for the exact programmes, content, timeframes and costing. As part of closure planning the Applicant will do a needs' assessment to identify SMME opportunities in the area, to guide the company in what type of training should be provided. The exact financial spend in this regard when required will be recorded by the Applicant and reported to the DMRE in the annual SLP Reports.

## 05 - Financial provisions for the Social and Labour Plan

### 5.1 Overview of financial provisions

This chapter outlines the manner in which the Applicant will provide financially for each component of the SLP.

This first generation SLP is intended to commence in 2027 after granting of the production right. The Applicant has applied for a production right, which includes a request for a gas marketing period of up to five years after granting of the production right. During this period, efforts will be made to secure an anchor offtake for the Block11B/12B project. Once the offtake agreement is in place, FID will be taken by the Applicant. Although FID may be reached at any point during the gas marketing period, for planning purposes it is currently anticipated that FID could be reached by the end of the second year after granting of the production right (i.e. by the end of 2028).

While the approval of the gas marketing period will suspend statutory obligations of the production right, the Applicant considers it important to begin contributing to community development as early as possible. Accordingly, the Applicant has committed to commencing implementation of the SLP from the first year after granting of the production right, despite the suspension of the production right obligations during the gas marketing period. However, if FID is delayed for any reason, the Applicant may engage with PASA regarding implementation of the SLP for the remainder of the gas marketing period.

**Accordingly, any reference to timeframes or amounts in this SLP, such as the period 2027–2031, should be understood as estimate dates based on current planning and may be subject to change.**

As the associated market and economic conditions surrounding the operations may change, it may become necessary to update the financial provisions. Where changes in these assumptions are required, they will be reported on in the annual SLP Report. Actual financial expenditure in each of the three areas of the SLP (Human Resource Development, Local Economic Development and closure and retrenchment management) will be reported on in the annual SLP Report for the production operation.

A summary of the preliminary financial commitments and projected expenditure for the SLP, based on current planning, is set out in Table 27.

Table 27: Five Year Financial Undertakings in respect of FY 2027-2031

SLP Element	2027 (ZAR)	2028 (ZAR)	2029 (ZAR)	2030 (ZAR)	2031 (ZAR)	Total Financial Commitment (2027-2031) (ZAR)
HRD Programmes	-	-	6,556,370	9,147,475	8,096,155	23,800,000
LED Projects	750,000	750,000	7,493,333	12,383,333	14,883,333	36,260,000
Downscaling and Retrenchment Management Programmes	-	-	5,000	5,000	5,000	15,000
<b>TOTAL</b>	<b>750,000</b>	<b>750,000</b>	<b>14,054,703</b>	<b>21,535,808</b>	<b>22,984,488</b>	<b>60,075,000</b>

**Note:** The figures above reflect the Applicant's current planning assumptions. However, if FID is delayed for any reason, the Applicant may engage with PASA regarding the SLP implementation..

## 06 - Statement of undertaking

I, \_\_\_\_\_ the undersigned and duly authorized thereto

by \_\_\_\_\_  
(Company) undertake to adhere to the information, requirements, commitments and conditions as set out in the Social and Labour Plan.

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Signature of responsible person: \_\_\_\_\_

Designation: \_\_\_\_\_

I further undertake to make the contents of the approved Social and Labour Plan known to employees upon commencement of the production operation.

Approved

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Signature of responsible person: \_\_\_\_\_

Designation: \_\_\_\_\_

## 07 - References

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