

# **Social and Labour Plan**

**2018 to 2022**

**Doornkop Operation**

**Gauteng**

**Mining Licence GP 30/5/1/2/2/09MR**

**September 2018**

*(3<sup>rd</sup> Submission)*





<b>Index</b>		<b>Page</b>
<b>List of Acronyms and terms</b>		<b>4</b>
<b>Submission of the Social and Labour Plan for Mining Licences</b>		<b>6</b>
<b>Background</b>		<b>7</b>
<b>Section 1: Preamble</b>	1.1 Name of Holding Company	<b>10</b>
	1.2 Name of Mine / Operation	
	1.3 Physical Address	
	1.4 Postal Address	
	1.5 Telephone Numbers	
	1.6 Fax Numbers	
	1.7 Location of Mine / Operation	
	1.8 Commodity	
	1.9 Life of Mine / Mining Right Expiry Date	
	1.10 Financial Year	
	1.11 Reporting Year	
	1.12 Further Information	
	1.13 Geographical Origin	
<b>Section 2: Human resources development programme</b>	2.1 Skills Development Legislation	<b>12</b>
	2.2 Skills Development Plan	<b>12</b>
	2.3 'Hard to fill' Vacancies	<b>22</b>
	2.4 Career Progression	<b>23</b>
	2.5 Mentorship Programme	<b>30</b>
	2.6 MQA, Bursaries and Internship Programmes	<b>32</b>
	2.7 Financial Provision – HRD	<b>34</b>
	2.8 Employment Equity	<b>35</b>
<b>Section 3: Local economic development programme</b>	3.1 Introduction	<b>39</b>
	3.2 Harmony's Group approach to LED	<b>39</b>
	3.3 Education	<b>42</b>
	3.4 Socio-economic Development	<b>43</b>
	3.5 Responsibilities and Reporting	<b>43</b>
	3.6 Socio-economic Background and Key Economic Activities	<b>43</b>
	3.7 Mine Community Projects	<b>51</b>
	3.8 Financial Provision – MCD	<b>59</b>
	3.9 House and Living Conditions	<b>60</b>
	3.10 Financial Provision – House and Living Conditions	<b>64</b>
	3.11 Nutrition	<b>65</b>
	3.12 Procurement Progression and Enterprise Development	<b>73</b>



Index		Page
<b>Section 4: Process for the management of downscaling and retrenchment</b>	4.1 Establishment of a Future Forum	78
	4.2 Mechanisms to Provide Alternative Solutions and Procedures of Creating Job Security where Job Losses Cannot be Avoided	79
	4.3 Management of Retrenchment	82
	4.4 Mechanisms to Ameliorate the Impact of Retrenchments	83
	4.5 Financial Provision – Downscaling and Retrenchment	85
<b>Section 5: Financial provision</b>	5.1 Five Year Plan for the Operation	86
	5.2 Financial Provision for the Operation	87
<b>Section 6: Reporting, monitoring, evaluation and undertaking</b>	Undertaking	88

## Acknowledgement of Receipt:

\_\_\_\_\_  
Initials and Surname

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Company Stamp



## List of Acronyms and Terms

<b>AET</b>	Adult Education and Training	<b>ETQA</b>	Education and Training Qualifications Authority
<b>AMESA</b>	The Association for Mathematics Education of South Africa	<b>EXCO</b>	Executive Committee
<b>ART</b>	Anti-Retroviral Treatment	<b>FET</b>	Further Education and Training
<b>ATR</b>	Annual Training Report	<b>GDP</b>	Gross Domestic Product
<b>BBBEE</b>	Broad-based Black Economic Empowerment	<b>GET</b>	General Education and Training
<b>BCEA</b>	Basic Conditions of Employment Act 95 of 1997	<b>HARMONY</b>	Harmony Gold Mining Company Ltd and or Company
<b>BEE</b>	Black Economic Empowerment	<b>HDSA</b>	Historically disadvantaged South Africans as defined in the Mineral and Petroleum Resources Development Act
<b>BLDP</b>	Business Leadership Development Plan	<b>HET</b>	Higher Education and Training
<b>CBO</b>	Community Based Organisation	<b>HND</b>	Higher National Diploma
<b>CEO</b>	Chief Executive Officer	<b>HOD</b>	Head of Department
<b>CETA</b>	Construction Education and Training Authority	<b>HRD</b>	Human Resources Development
<b>CPIX</b>	Consumer Price Index	<b>HSDSETA</b>	Health Services SETA
<b>CSI</b>	Corporate Social Investment	<b>IDP</b>	Individual/Integrated Development Plan
<b>CSR</b>	Corporate Social Responsibility	<b>IMMC</b>	Introduction to Mining and Minerals Certificate
<b>DMR</b>	Department of Minerals and Energy	<b>IMU</b>	International Mathematical Union
<b>DTI</b>	Department of Trade and Industry	<b>ISO</b>	International Standards Organisation
<b>ECSA</b>	Engineering Council of South Africa	<b>JIPSA</b>	Joint Initiative for Priority Skills Acquisition
<b>EE</b>	Employment Equity	<b>LED</b>	Local Economic Development
<b>EPWP</b>	Expanded Public Works Programme	<b>LOM</b>	Life of Mine
<b>ETD</b>	Education Training and Development	<b>LRA</b>	Labour Relations Act 66 of 1995
<b>MLSC</b>	Major Labour Sourcing Communities	<b>SDP</b>	Skills Development Plan
<b>MO</b>	Mine Overseer	<b>SDL</b>	Skills Development Levy
<b>MQA</b>	Mining Qualifications Authority	<b>SETA</b>	Sectorial Education and Training Authority
<b>MQF</b>	Mining Qualifications Framework	<b>SHI</b>	Social Housing Institution
<b>MPRDA</b>	Mineral and Petroleum Resources Development Act 28 of 2002	<b>SIFE</b>	Students in Free Enterprise
<b>ND</b>	National Diploma	<b>SLP</b>	Social and Labour Plan
<b>NEDLAC</b>	National Economic Development and Labour Council	<b>TEBA</b>	The Employment Bureau of Africa
<b>NGO</b>	Non-Governmental Organisation	<b>TOM</b>	TEBA on Mine
<b>NPI</b>	National Productivity Institute	<b>UIF</b>	Unemployment Insurance Fund
<b>NQF</b>	National Qualifications Framework	<b>VCT</b>	Voluntary Counselling and Testing
<b>NSDS</b>	National Skills Development Strategy	<b>WSP</b>	Workplace Skills Plan
<b>NSF</b>	National Skills Fund	<b>ORM</b>	Ore Reserve Manager



<b>NUM</b>	National Union of Mineworkers	<b>RPL</b>	Recognition of Prior Learning
<b>SADC</b>	Southern African Development Community	<b>SAMS</b>	South African Mathematical Society
<b>SAMF</b>	South African Mathematics Foundation	<b>SAQA</b>	South African Qualifications Authority
<b>SAMO</b>	South African Mathematics Olympiad	<b>SDF</b>	Skills Development Facilitator



## Submission of the Social and Labour Plan for mining licences

The Social and Labour Plan requires applicants for mining and production rights to develop and implement comprehensive Human Resources Development Programmes, Mine Community Development Plans, Housing and Living conditions Plans, Employment Equity Plans and Processes to save jobs and manage downscaling and / or closure.

This is aimed at promoting employment and advancement of the social and economic welfare of all South Africans whilst ensuring economic growth and socio-economic development.

The five-year period as stipulated in the current Social and Labour Plan (SLP) for the Operation has expired. For this reason it is important to revise the period in line with the strategic planning for the Operation.

We draw your attention to regulation 43 and 44 of the regulations to the Mineral and Petroleum Resources Development Act, Act 28 of 2002 (MPRDA) which reads as follows:

- “43. A Social and Labour Plan lodged with the Regional Manager are valid until a closing certificate has been issued in terms of section 43 of the Act.”
- “44. A Social and Labour Plan may not be amended or varied without the consent of the Minister after the granting of the mining right to which such Social and Labour Plan pertains.”

This SLP is prepared in accordance with part II of the Regulations of the Mineral and Petroleum Resources Development Act (MPRDA), and is a prescribed plan for dealing with the social and labour issues for the remaining life of every mining right. The starting point for this plan, which will serve as the first year of the next five year cycle from which the company intends to progress, is the calendar year beginning January 2018.

**Note:**    *Year 1 – 2018*    *Year 2 – 2019*    *Year 3 – 2020*    *Year 4 – 2021*    *Year 5 – 2022*

### Objectives of the Social and Labour Plan

The objectives of the Social and Labour Plan are to:

- Promote economic growth
- Promote employment and advance the social and economic welfare of all South Africans
- Contribute towards the socio-economic development of the areas in which we operate
- To utilize and expand the existing skills base for the empowerment of Historically Disadvantaged South Africans and to serve the community

*Harmony's Social and Labour Plans are therefore aimed at extending the life of the mines, improving the skills of all its employees, the transformation of its mines, as well as the normalisation of the company and the socio-economic development of communities around its mines from which Harmony recruits its employees.*



## Background

As per Regulation 46(a): Introduction; the following background information is provided on the mine

### About Harmony (Source HAR-IR16)

Harmony, a gold mining and exploration company, conducts its activities in South Africa, one of the world's best-known gold mining regions, and in Papua New Guinea, one of the world's premier new gold-copper regions. Harmony, which has more than six decades of experience, was South Africa's third largest gold producer and the twelfth largest in the world in FY16.

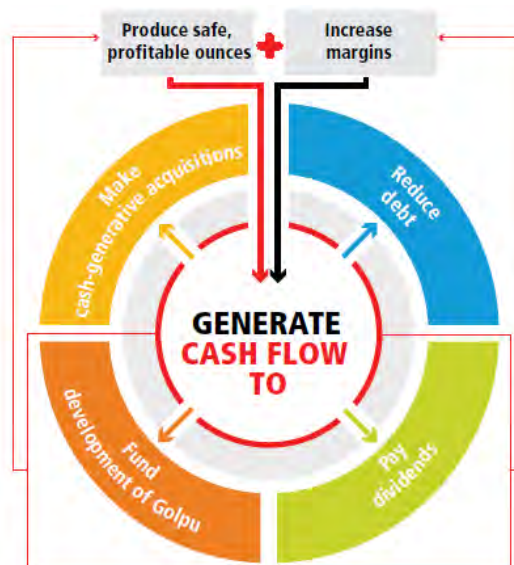
At Harmony, we understand the significant impact our company has on the lives of people, on the communities that surround our mines, on the environment, and on the economic well-being of the countries in which we operate.

Our company delivers long-term benefits to a broad range of stakeholders. We rely on experienced, skilled teams who live our values and play their role in maintaining stakeholder relationships, growing profits and maintaining a sustainable company.

The company is governed by a board of directors which brings together a range of skills and experience and whose members are committed to maintaining the highest levels of corporate governance. In turn, the directors entrust the management of Harmony to skilled management teams which work towards ensuring that the company remains sustainable, towards improving margins and towards increasing the value of our assets.

### Our Strategy

## Our strategy





## Our Values

As a company, Harmony understands that long-term value is about more than the commodities we produce and the profits we make. Our worth is also reflected in the impact we have on the lives of people, now and in the future.

Harmony lives its values – safety, being accountable, achievement and being connected and honest. These are the compass points for our actions, ensuring that, in addition to achieving our strategic goals, we seek to make the right decisions and support the members of our teams in doing so. They are ingrained in our training initiatives and decision-making processes, ensuring that they are at the front of employees' minds and actions, extending beyond our operations' gates. They guide our interactions with external stakeholders, from shareholders and the media to local communities, including those from which our employees are drawn. Our hope is that through our commitment, we can build a company with which people want to be associated and which will generate shared value into the future.



No matter the circumstances, **safety** is our main priority



We are all **accountable** for delivering on our commitments



**Achievement** is core to our success



We are all **connected** as one team



We uphold **honesty** in all our business dealings and communicate openly with stakeholders





**About the Operation** (source HAR-RR16 – Mineral Resources and Mineral Reserves 2016)

**Location**

The Doornkop shaft complex is located south of Krugersdorp, 30km west of Johannesburg, on the northern rim of the Witwatersrand Basin, in the province of Gauteng. The property lies between Cooke 1 shaft, belonging to Sibanye Gold Limited, and Durban Roodepoort Deep Mines.

**Nature of the Operation**

Doornkop is a single-shaft operation which exploits the South Reef some 2 000m below surface. The South Reef is a narrow reef, exploited by means of conventional stoping. The ore mined at Doornkop is processed at Doornkop’s carbon-in-pulp plant, situated directly next to Doornkop shaft. Mining of the Kimberley Reef was suspended during FY14 so as to focus on the build-up of mining of the South Reef and to prevent losses resulting from the lower gold price. Mining of the Kimberley Reef may be resumed should economic circumstances improve sufficiently.

**Summary of Key statistics**

KEY STATISTICS					
	Year 1	Year 2	Year 3	Year 4	Year 5
Average total tons hoisted per month	60 991	62 143	66 725	69 046	69 525
Average gold produced per month (kg)	282	286	316	328	342
Average operating cost per month ('R)	R 115,403.02	R 115,403.99	R 120,300.41	R 124,577.37	R 125,205.12
Average ongoing development / capital development per month (R)	R 15,207,290.05	R 16,692,843.79	R 19,435,830.67	R 20,891,480.17	R 20,488,576.00
Number of employees including contractors	3 427	3 446	3 559	3 626	3 630



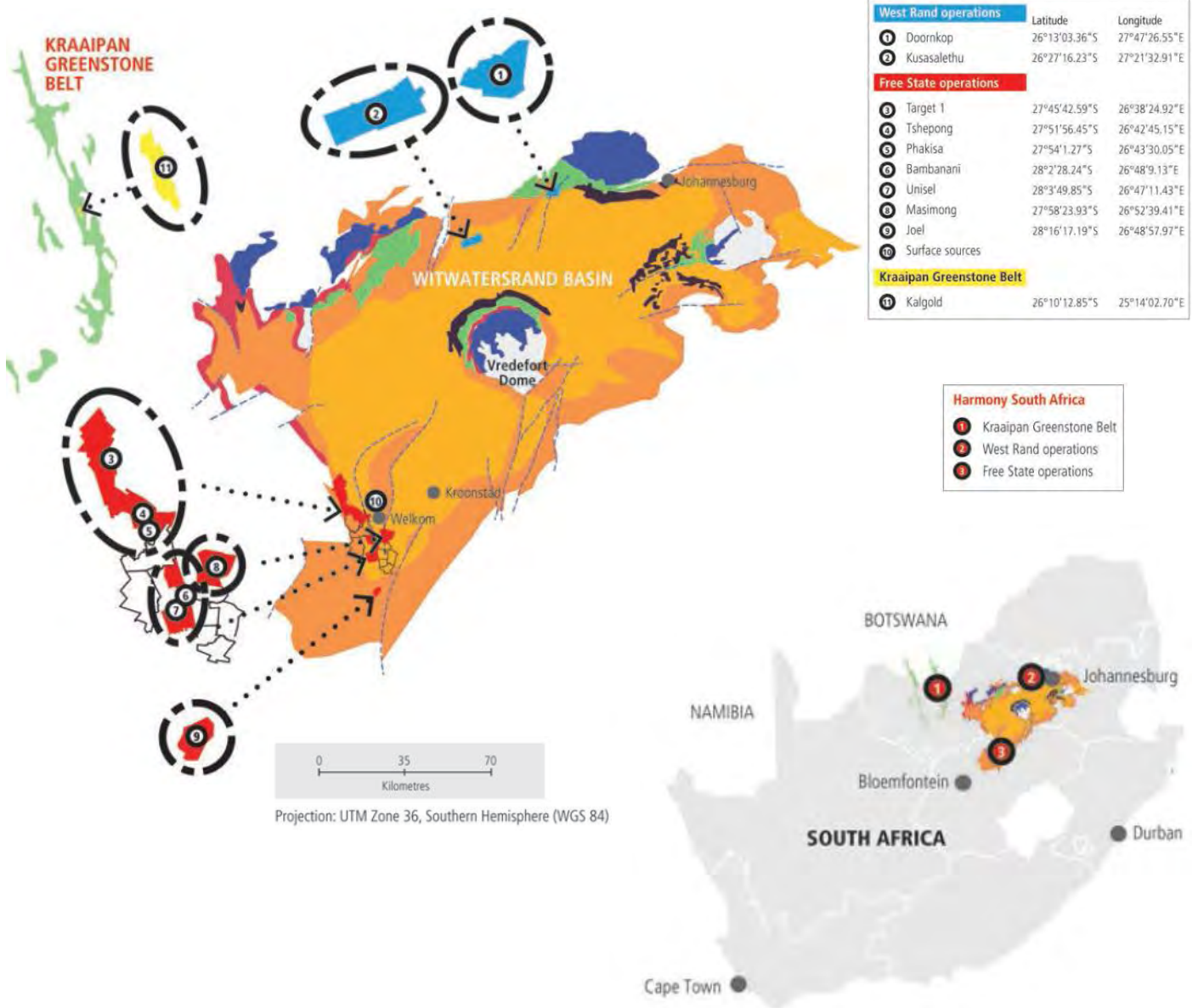


## Section 1: Preamble

*As per Regulation 46(a): A preamble which provides background information of the mine in question*

1.1	<b>Name of the holding company/applicant</b>	Harmony Gold Mining Company Limited	
1.2	<b>Name of the mine</b>	Doornkop Mine	
1.3	<b>Physical address</b>	Farm Doornkop 239 IQ Portion 130 Roodepoort Johannesburg	
1.4	<b>Postal address</b>	C/o Harmony Gold Mining Company Limited P O Box 2 Randfontein 1760	
1.5	<b>Telephone number</b>	+27 (011) 278 6680	
1.6	<b>Fax number</b>	+27 (011) 086 651 2851	
1.7	<b>Location of mine</b>	Doornkop mine is situated some 50km from Johannesburg and about 20km from Randfontein. The site is accessed through the national highway N12 and Main Reef Road from Johannesburg.	
1.8	<b>Commodity</b>	Gold	
1.9	<b>Life of mine Mining Right Expiry Date</b>	17 years – end of year 2035 06 October 2038	
1.10	<b>Financial Year</b>	The financial year of the Company runs from July to June of the following year.	
1.11	<b>Reporting Year</b>	Annual reporting will be done on the calendar year and will be submitted by 31 March of each year	
1.12	<b>For further information in relation to this document please contact</b>	<u>General Manager</u> Seromo Mofokeng (011) 278 6680 082 856 4112 <a href="mailto:seromo.mofokeng@harmony.co.za">seromo.mofokeng@harmony.co.za</a>	<u>HR Leader</u> L Ramuedzisi (011) 278 6600 082 324 6306 <a href="mailto:livhuwani.ramuedzisi@harmony.co.za">livhuwani.ramuedzisi@harmony.co.za</a>

### 1.13 Geographical origin of Operation





## Section 2: Human Resources Development Programme

*In line with Regulation 46(b): Human resources development programme*

- Regulation 46(b)(i): Skills development plan
- Regulation 46(b)(ii): A career progression plan and its implementation in line with the skills development plan
- Regulation 46(b)(iii): A mentorship plan and its implementation in line with the skills development plan
- Regulation 46(b)(iv): An internship and bursary plan and its implementation in line with the skills development plan
- Regulation 46(b)(v): The employment equity statistics

### Introduction

Harmony Gold supports an inclusive talent and human development model where career opportunities are primarily created from within the organisation and external recruitment is only considered if a vacancy cannot be filled from our talent pipeline. The Harmony learning and development function is responsible for the Harmony HRD policy, systems and quality control, but the Operation is capacitated and empowered to implement the policies.

This section of the SLP deals comprehensively with Operation's five-year plan to achieve the optimal development of its human resources through education, training and development (ETD) interventions, as envisaged in the MPRDA, and the Mining Charter, which is monitored by means of the accompanying scorecard.

It also deals with the skills development act in order to ensure the development of skills of the South African workforce to improve the quality of life of workers and their prospects of work as well as to improve productivity in the workplace and the competitiveness of employers and to promote self-employment.

### 2.1 Skills development Legislation

Registration with SETA's

<b>Name of SETA</b>	Mining Qualifications Authority
<b>Registration number with SETA</b>	Levy = L650710538 Accreditation = 16/MQA/0469/AC4?130614
<b>Confirmation of having appointed a Skills Development Facilitator</b>	Petrus Mokgophi Tel No: (011) 278 6617 Cell No: 082 731 4147 E-mail: <a href="mailto:petrus.mokgophi@harmony.co.za">petrus.mokgophi@harmony.co.za</a>
<b>Proof of submission of Workplace Skills Plan</b>	Workplace Skills Plans are submitted annually before 30 April of each year

### 2.2 Skills development plan

In compliance with the Skills Development Act, the Operation submits, on an annual basis, the Workplace Skills Plan (WSP) and the Annual Training Report (ATR) to the Mining Qualifications Authority (MQA) outlining how employees are trained throughout the year in all identified areas of their training needs. The Operation will align their plans with the skills development strategy of Harmony and will ensure a platform for skills development is created.



These reports are developed annually by the designated skills development facilitators (SDF's), in consultation with the Human Resources Development (HRD) committees and the Corporate HRD committees. The HRD committees contribute in ensuring that Employment Equity and Gender Equity targets are met through employee development. These employee development plans are aligned with the Workplace Skills Plans (WSP).

Operations also pay the skills development levy and claims grants for training provided as per the relevant legislation and regulations.

The objective of the Skills Development plans within Harmony consists of the following:

- Train employees to achieve full potential within their current positions and to promote productivity at the workplace
- Ensure a competent workforce
- Ensure employees are sufficiently trained and ready for the next level of their careers
- Talent identification and management of talented employees
- Retention of qualified employees

The Operation is fully committed to provide all their employees with the necessary opportunities to participate in training and development.

## Number and Educational levels of the Mine's workforce

### Workforce composition

*The following table presents the profiles of the employees as at March 2017.*

#### WORKFORCE PROFILE - DEMOGRAPHICS - MALE VS FEMALE

Permanent Employees	Total workforce	%
<b>Total workforce</b>	<b>2871</b>	<b>100.0%</b>
<b>Male</b>	<b>2511</b>	<b>87.5%</b>
<b>Female</b>	<b>360</b>	<b>12.5%</b>
African SA Males	1809	63.0%
African SA Females	303	10.6%
Coloured Males	4	0.1%
Coloured Females	1	0.0%
Indian Males		
White Males	98	3.4%
White Females	5	0.2%
Non-SA Males	600	20.9%
Non-SA Females	51	1.8%

#### WORKFORCE PROFILE - DEMOGRAPHICS - MALE VS FEMALE

Non-Permanent Employees	Total workforce	%
<b>Total workforce</b>	<b>618</b>	<b>100.0%</b>
<b>Male</b>	<b>581</b>	<b>94.0%</b>
<b>Female</b>	<b>37</b>	<b>6.0%</b>
African SA Males	460	74.4%
African SA Females	33	5.3%
Coloured Males		
Coloured Females		
Indian Males	4	0.6%
White Males	48	7.8%
White Females	3	0.5%
Non-SA Males	69	11.2%
Non-SA Females	1	0.2%



Breakdown of employees per labour-sending community as at March 2017

**WORKFORCE PROFILE - LOCAL VS FOREIGN**

Permanent Employees	Total workforce	%
<b>Total workforce</b>	<b>2871</b>	<b>100.0%</b>
<b>Total South African</b>	<b>2220</b>	<b>77.3%</b>
<b>Total Neighboring Countries</b>	<b>651</b>	<b>22.7%</b>
Local RSA		
	2220	77.3%
Swaziland		
	45	1.6%
Botswana		
	2	0.1%
Lesotho		
	356	12.4%
Mozambique		
	247	8.6%
Zimbabwe		
	1	0.0%
Nigeria		

**WORKFORCE PROFILE - LOCAL VS FOREIGN**

Non-Permanent Employees	Total workforce	%
<b>Total workforce</b>	<b>618</b>	<b>100.0%</b>
<b>Total South African</b>	<b>548</b>	<b>88.7%</b>
<b>Total Neighboring Countries</b>	<b>70</b>	<b>11.3%</b>
Local RSA		
	548	88.7%
Swaziland		
Zambia		
	1	0.2%
Lesotho		
	22	3.6%
Mozambique		
	44	7.1%
Zimbabwe		
	2	0.3%
Nigeria		
	1	0.2%

Breakdown of core and support employees as at March 2017

**WORKFORCE PROFILE - CORE VS SUPPORT**

Permanent Employees	Total workforce	%
<b>Total workforce</b>	<b>2871</b>	<b>100.0%</b>
<b>Core</b>	<b>2696</b>	<b>93.9%</b>
<b>Support</b>	<b>175</b>	<b>6.1%</b>
Mining		
	1926	67.1%
Engineering		
	615	21.4%
Ore Reserve Management		
	77	2.7%
Metallurgy		
	78	2.7%
Human Resources		
	90	3.1%
Financial		
	9	0.3%
Commercial Services		
	21	0.7%
Safety and Health		
	35	1.2%
Environmental		
	11	0.4%
Other Services		
	9	0.3%

**WORKFORCE PROFILE - CORE VS SUPPORT**

Non-Permanent Employees	Total workforce	%
<b>Total workforce</b>	<b>618</b>	<b>100.0%</b>
<b>Core</b>	<b>492</b>	<b>79.6%</b>
<b>Support</b>	<b>126</b>	<b>20.4%</b>
Mining		
	348	56.3%
Engineering		
	112	18.1%
Ore Reserve Management		
Metallurgy		
	32	5.2%
Human Resources		
	4	0.6%
Financial		
Commercial Services		
	5	0.8%
Safety and Health		
	4	0.6%
Environmental		
Other Services		
	113	18.3%



The Operation provide employment to 3489 people of whom 2871 are employed directly by the mine and 618 contractors who provide services to the mine.

### **Treatment of employees from labour-sending communities outside South Africa**

The recruitment of employees from Lesotho, Mozambique, Swaziland and Botswana is in accordance with inter-governmental agreements.

The wages, working hours, leave entitlements (including sick and family responsibility leave), provident fund provisions, medical incapacity benefits and other terms and conditions of employment of South African Development Community (SADC) employees are the same as for South African employees. Furthermore, they are entitled to equal compensation for occupational injuries and diseases, and are entitled to the same training and development opportunities as South African employees. They are also entitled to join and participate fully in trade union activities, have freedom of movement and enjoy the same labour rights and protections against unfair dismissal.

Harmony, on behalf of this Operation, has further concluded an agreement with recognised trade unions, which provides that SADC employees will be entitled to the same accommodation opportunities as South African employees in respect of living quarters, living-out allowances and married quarters. However, legislative provisions preclude SADC employees from state housing subsidies in South Africa.

It should be noted that the Lesotho and Mozambican inter-governmental agreements provide for approximately 30% of these migrant employees' earnings to be remitted back as compulsory deferred pay to their home countries. These remittances, however, provide a revenue stream for these labour-sending communities, without which rural poverty would be exacerbated.

An additional factor impacting on migrant employees is the fact that they are recruited by the way of 'corporate permits' granted in terms of the Immigration Act. As such these employees may not be accompanied by their families on a permanent basis, although family members who obtain visitors permits are permitted to visit such migrant employees for limited periods.

Such employees are also required to return to their home countries periodically, but may on application acquire the right to permanent residence in South Africa.

Consequently, subject to compliance with South African law and the inter-governmental agreements, Operation does not, and further undertakes not to, discriminate against migrant employees from SADC countries.



## Educational Levels

The table below (Form Q) reflects the education levels of the permanent employees as at March 2017

EDUCATIONAL LEVELS (FORM Q) - PERMANENT EMPLOYEES										
EDUCATIONAL LEVELS		African		Coloured		Indian		White		Grand Total
NQF LEVEL	NEW SYSTEM	M	F	M	F	M	F	M	F	
<b>GENERAL EDUCATION AND TRAINING</b>										
No Education	No Schooling	107								107
Below NQF 1	Pre-AET / Grade 1 to 3	76								76
	AET 1 / Std 2 / Grade 4	89	4							93
	AET 2 / Std 3 & 4 / Grade 5 & 6	258	11							269
	<b>Possible AET learners</b>	<b>530</b>	<b>15</b>							<b>545</b>
<b>FURTHER EDUCATION AND TRAINING</b>										
Below NQF 1	AET 3 / Std 5 & 6 / Grade 7 & 8	335	21	1						357
NQF 1	AET 4 / Std 7 / Grade 9	406	40							446
NQF 2	Std 8 / Grade 10 / NATED 1 / NCV Level 1	311	38					7		356
NQF 3	Std 9 / Grade 11 / NATED 2 / NCV Level 2	278	77	1				4	1	361
NQF 4	Std 10 / Grade 12 / NATED 3 / NCV Level 3	322	88	1				11	3	425
<b>HIGHER EDUCATION AND TRAINING</b>										
NQF 5	National / Higher Certificate	192	52	1				66		311
NQF 6	Higher Certificate / Diploma / Advanced Certificate / NATED 4 to 6	25	19		1			8	1	54
NQF 7	Advanced Diploma / B-Tech Degree / Bachelor's Degree (360 Credits)	9	3					2		14
NQF 8	Bachelor Honor's Degree / Post Grad Diploma / Bachelor's Degree (480 credits)	1	1							2
NQF 9	Master's Degree									
NQF 10	Doctoral Degree & Post-Doctoral Degree									
<b>TOTAL</b>		<b>2409</b>	<b>354</b>	<b>4</b>	<b>1</b>			<b>98</b>	<b>5</b>	<b>2871</b>





The table below (Form Q) reflects the education levels of the Non-permanent employees as at March 2017

### EDUCATIONAL LEVELS (FORM Q) - NON-PERMANENT EMPLOYEES

EDUCATIONAL LEVELS		African		Coloured		Indian		White		Grand Total
NQF LEVEL	NEW SYSTEM	M	F	M	F	M	F	M	F	
<b>GENERAL EDUCATION AND TRAINING</b>										
No Education	No Schooling	39	1			1				41
Below NQF 1	Pre-AET / Grade 1 to 3	15								15
Below NQF 1	AET 1 / Std 2 / Grade 4	10								10
Below NQF 1	AET 2 / Std 3 & 4 / Grade 5 & 6	29						3		32
Below NQF 1	<b>Possible AET learners</b>	<b>93</b>	<b>1</b>			<b>1</b>		<b>3</b>		<b>98</b>
<b>FURTHER EDUCATION AND TRAINING</b>										
Below NQF 1	AET 3 / Std 5 & 6 / Grade 7 & 8	50						1		51
NQF 1	AET 4 / Std 7 / Grade 9	26	2					3		31
NQF 2	Std 8 / Grade 10 / NATED 1 / NCV Level 1	67	4			1		5	2	79
NQF 3	Std 9 / Grade 11 / NATED 2 / NCV Level 2	94	14					8		116
NQF 4	Std 10 / Grade 12 / NATED 3 / NCV Level 3	192	13			2		28	1	236
<b>HIGHER EDUCATION AND TRAINING</b>										
NQF 5	National / Higher Certificate	5								5
NQF 6	Higher Certificate / Diploma / Advanced Certificate / NATED 4 to 6	2								2
NQF 7	Advanced Diploma / B-Tech Degree / Bachelor's Degree (360 Credits)									
NQF 8	Bachelor Honor's Degree / Post Grad Diploma / Bachelor's Degree (480 credits)									
NQF 9	Master's Degree									
NQF 10	Doctoral Degree & Post-Doctoral Degree									
<b>TOTAL</b>		<b>529</b>	<b>34</b>			<b>4</b>		<b>48</b>	<b>3</b>	<b>618</b>



## Literacy Level at the Operation

### LITERACY LEVEL - PERMANENT EMPLOYEES

Total Workforce	Below Grade 6 / Std 4 (excl No Education)	No Education	Possible AET Learners	Illiteracy Level (%)
2871	438	107	545	19%

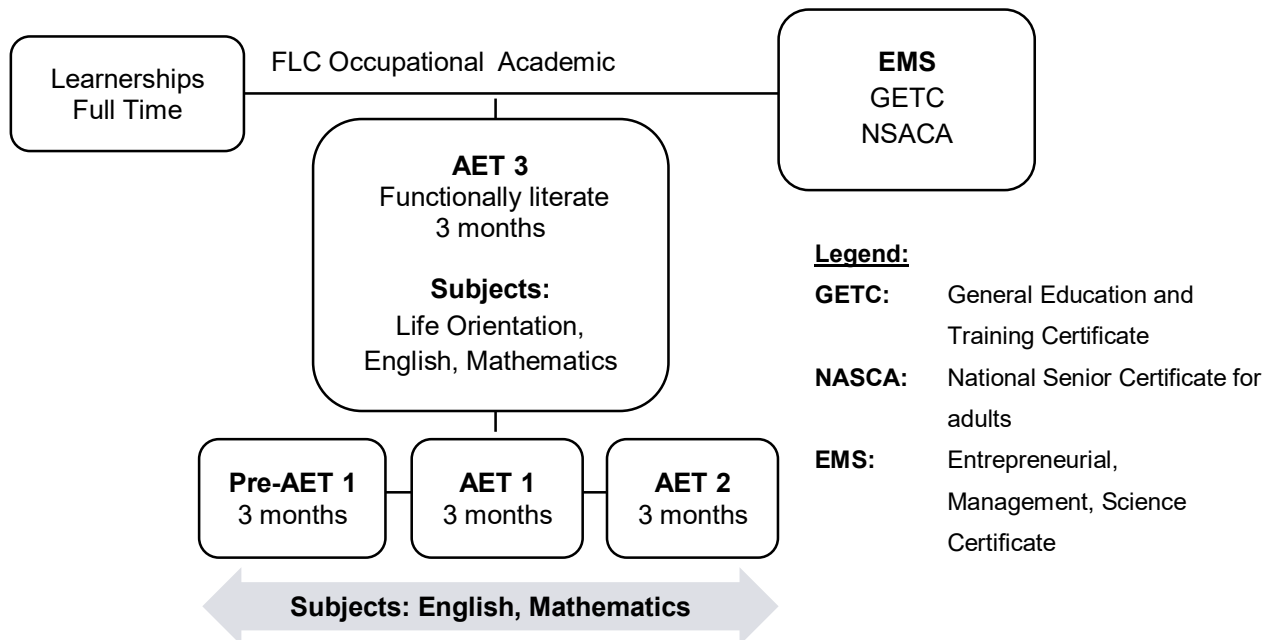
### LITERACY LEVEL - NON PERMANENT EMPLOYEES

Total Workforce	Below Grade 6 / Std 4 (excl No Education)	No Education	Possible AET Learners	Illiteracy Level (%)
618	57	41	98	16%

## Adult Education and Training

The progression through AET levels is aimed at providing an opportunity for all employees to be functionally literate and numerate.

The following graph depicts the Adult education and further education programme:



Whilst the scorecard requires that Harmony provides employees with the opportunity to become functionally literate, Harmony has gone beyond this requirement and set as its own strategic objective: the achievement of a fully literate workforce by 2024. Harmony offers full-time AET classes and have recently introduced own time E-AET to achieve the set targets.



## How the Operation provides employees with the opportunity to become functionally literate and numerate

Awareness campaigns have been undertaken over the past few years for promotion and awareness purposes. Communication channels used included posters, HRD committee and flyers. An internal audit found that employees are fully aware of the AET facilities at Operation.

### AET Implementation plan

#### Plan to provide employees with the opportunity to become functionally literate and numerate

##### Objective:

- To assist employees to meet independently, the reading and writing demands placed on them both professionally and privately.

##### Beneficial change:

- **Employees**
  - Being literate will assist in delivering on Harmony's value of "Safety" and "Connectedness".
  - Empower employees to apply for more senior positions where literacy is a pre requisite
- **The mine**
  - Have a positive impact on the Safety and production statistics of Harmony
  - Assist Harmony in meeting developmental targets of HDSA's as a whole
  - Communication within Harmony will be enhanced
- **Organised labour**
  - Communication and negotiations with members will be enhanced
- **Families**
  - Employees will be able to assist family members in basic day to day activities such as banking and budgeting
  - A literate family member can assist his/her children with scholastic outputs.

##### Beneficiaries:

- The whole of South Africa will benefit with the eradication of illiteracy.

##### Implementation plan:

- Harmony has three intakes of AET per year to drive the achievement of the set objective.
- To meet the varying demands of stakeholders, both full time and part time classes are offered.

### AET Facilities and Centres

The Operation's AET facilities are situated at the Operation with a network of transport and support services to deliver South African Qualification Authority (SAQA) aligned education to students. All Harmony AET centres write external examination offered by IEB and benchmark.



## Planned AET intake 2018 to 2022

The table below reflects the planned intake levels for AET

ADULT EDUCATION AND TRAINING PER LEVEL						
AET Levels	Plan					Total No of Delegates
	Year 1	Year 2	Year 3	Year 4	Year 5	
Pre-AET	6	6	6	6	6	30
AET 1	7	7	7	7	7	35
AET 2	8	8	8	8	8	40
AET 3	10	10	10	10	10	50
AET 4	9	9	9	9	9	45
<b>Total Planned</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>200</b>

**Note:** These AET figures will be affected by an annual labour turnover of approximately 10%, the recruitment of literate employees as well as external assessments of employees with unconfirmed levels of education. These numbers will also be affected by success rates.

## Skills Development Programmes

### Learnerships 18.1

The table below reflects the planned intake levels for 18.1 Learnerships

LEARNERSHIPS - 18.1						
Description	Plan					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
Blasting Ticket	5	5	5	5	5	25
Engineering Learnerships	9	9	9	9	9	45
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>70</b>

### Learnerships 18.2

The table below reflects the planned intake levels for 18.2 Learnerships

LEARNERSHIPS - 18.2						
Description	Plan					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
Blasting Ticket	5	5	5	5	5	25
Engineering Learnerships	7	7	7	7	7	35
<b>Total</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>60</b>



## Leadership Development

Employees will be developed in all core and critical, as well as leadership skill in order to equip them to perform their duties safely and productively.

*The table below reflects the planned intake levels for Leadership Development*

LEADERSHIP DEVELOPMENT TRAINING						
Description	Plan					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
Leadership Development	9	9	9	7	7	41
Supervisory Development	4	4	4	4	4	20
<b>Total</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>11</b>	<b>11</b>	<b>61</b>

## Skills Development

*The table below reflects the planned intake levels for Skills Development*

SKILLS DEVELOPMENT TRAINING						
Description	Plan					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
Mine Manager Certificate	1	1	1	1	1	5
Mine Overseer Certificate	3	3	3	3	3	15
Advance Miners Certificate (Shiftboss)	8	8	8	8	8	40
Team Leader	8	5	5	8	6	32
Competent A	12	12	12	12	12	60
Competent B	80	80	80	80	80	400
Engineering Foreman	1	1	1	1	1	5
Human Resources Manager	1	1	1	1	1	5
Human Resources Officer	2	2	2	2	2	10
Financial Manager	1	1	1	1	1	5
Chief Safety Officer	1	1	1	1	1	5
Safety Officer	3	3	3	3	3	15
Occupational Hygiene Officer	1	1	1	1	1	5
<b>Total</b>	<b>122</b>	<b>119</b>	<b>119</b>	<b>122</b>	<b>120</b>	<b>602</b>



### 2.3 'Hard-to-Fill' vacancies

It must be noted that Harmony and the licensed mines do take critical core skills into consideration when determining candidates for learnerships, internships, mentorship, career progression and different skills programmes.

There are no 'hard-to-fill' vacancies at the Operation. All vacant positions are currently being filled within 12 months. (See details below)

## FORM R

Department: Minerals and Resources

Republic of South Africa

### Hard-to-fill vacancies as at March 2017

*In terms of regulation 46(b)(i)(bb) of the Social and Labour Plan of the Mineral and Petroleum Resources Development Act 28, 2002*

#### Instructions:

1. For any enquiries, contact the relevant regional office or designated agency during office hours (refer to List 1).
2. Complete the form in block letters and black pen.
3. Complete the form in English and do not use abbreviations (Street not St).

Occupational level	Job title of vacancy	Main reason for being unable to fill the vacancy
Top management	-	N/A
Senior management	-	N/A
Professionally qualified and experienced specialists and mid-management	-	N/A
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	-	N/A
Semi-skilled and discretionary decision-making	-	N/A
Unskilled and defined decision-making	-	N/A



## 2.4 Career Progression

This section covers the career progression plan of Operation that is in line with the skills development plan and will show how opportunities are given to employees to progress through the employment levels.

The career progression plan at an individual level, maps out career growth opportunities within specific career paths in both technical (specialist) and management roles in the mine. The process identifies career options for employees who are assisted to develop skills so that they are better prepared and suitably qualified to assume positions that match their individual career goals with the needs of the mine (organisational needs). Employees can navigate through various career progression scenarios (or be assisted to do so) and quickly identify requirements of various positions. Career management at the Operation links with other HRD activities such as mentorship and coaching, managing the talent pool, and employment equity.

### Factors that are considered for effective career progression planning:

- The career progression plan of Operation is based on a number of factors as outlined below:
- **Opportunity for all employees.** Career progression is available to all employees based on their career interests, availability of positions, employment equity, potential assessments, and excellent performance
- **Cross discipline and multi-disciplinary.** An employee may move from one discipline to another depending on personal career interests aligned to identified organisational needs
- **Performance management.** Career progression plans are managed and monitored during performance management discussions between an employee and his/her supervisor at management levels, with top performers usually considered for opportunities to advance to higher levels within the organisation
- **Career interests.** Each employee's career interests are considered, within reason, when career progression plans are discussed and agreed through IDPs
- **Availability of positions.** Career progression takes place based on positions that becomes vacant or available in the mine or at other Harmony operations and employees are promoted and/or are transferred to the positions for additional career exposure
- **Employment equity targets.** Career progression plans take cognizance of Operation's requirements to meet the employment equity targets
- **Development panels.** These are multi-disciplinary panels that monitor careers of employees to ensure that development opportunities are made available to suitably qualified, high potential and excellent performing employees

### Career progression (promotional) plan

It is considered for all career progression opportunities at all levels. With respect to meeting the employment equity targets, specific attention will be given to management level positions.

% HDSA representation in promotion opportunities and filling of vacant positions	Year 1	Year 2	Year 3	Year 4	Year 5
	60%	65%	70%	80%	80%

**Note:** *The targets above do not mean a general disregard of previously advantaged employees. During performance reviews, their career plans are also mapped out with their respective supervisors and, should vacant positions become available, they are also considered once the EE targets above have been met.*



## Approach

The career progression strategic approach provides an opportunity to employees at all levels of the organisation to progress through the employment levels.

## Employment levels

Career paths per disciplines, outlines the route employees should follow to move from one level to the next.

Classification of employment levels cover the following occupational levels:

- Unskilled and defined decision making – Patterson bands A1 to A4
- Semi-skilled and discretionary decision-making; operators; administrative personnel; and clerical personnel – Patterson bands B1 to B7
- Technically skilled/operators: skilled technical and academically qualified workers, junior management, supervisors, foremen – Patterson bands C1 to C5
- Professionals: professionally qualified, experienced specialists and mid management – Patterson bands D1 to D5
- Senior management – Patterson bands E1 to E5

Note: A career progression to the executive level moves an employee from the mine to group level. The Harmony executive level is on Patterson band F.

## Employee development plan to support career progression

The mine provides the opportunity for advancement to higher levels of the organisation by encouraging employees to have personal development plans. Although opportunities are given to employees, each individual takes ownership of his/her career goals and objectives.

The career management processes identify the education, training, and experience needs of the workforce. The steps that are covered in contributing to effective career management for employees include the following:

### Step 1: Assess existing skills required to meet business objectives

This includes the following:

- Identify the skills required to succeed in the current job
- Identify the gaps required to be closed in order to succeed in the current job
- Identify relevant skills the employee possesses that are not currently being utilised

### Step 2: Identify potential areas for growth and development

This includes the following:

- Identify the areas of the employee's current job that could be enhanced with additional training or coaching
- Identify additional skills or responsibilities that may enhance the employee's ability to contribute to achieving the mine's goals and objectives
- Identify employee's interests and/or goals

### Step 3: Identify training, mentoring, coaching or other development opportunities so that the employee can successfully apply new skills and knowledge



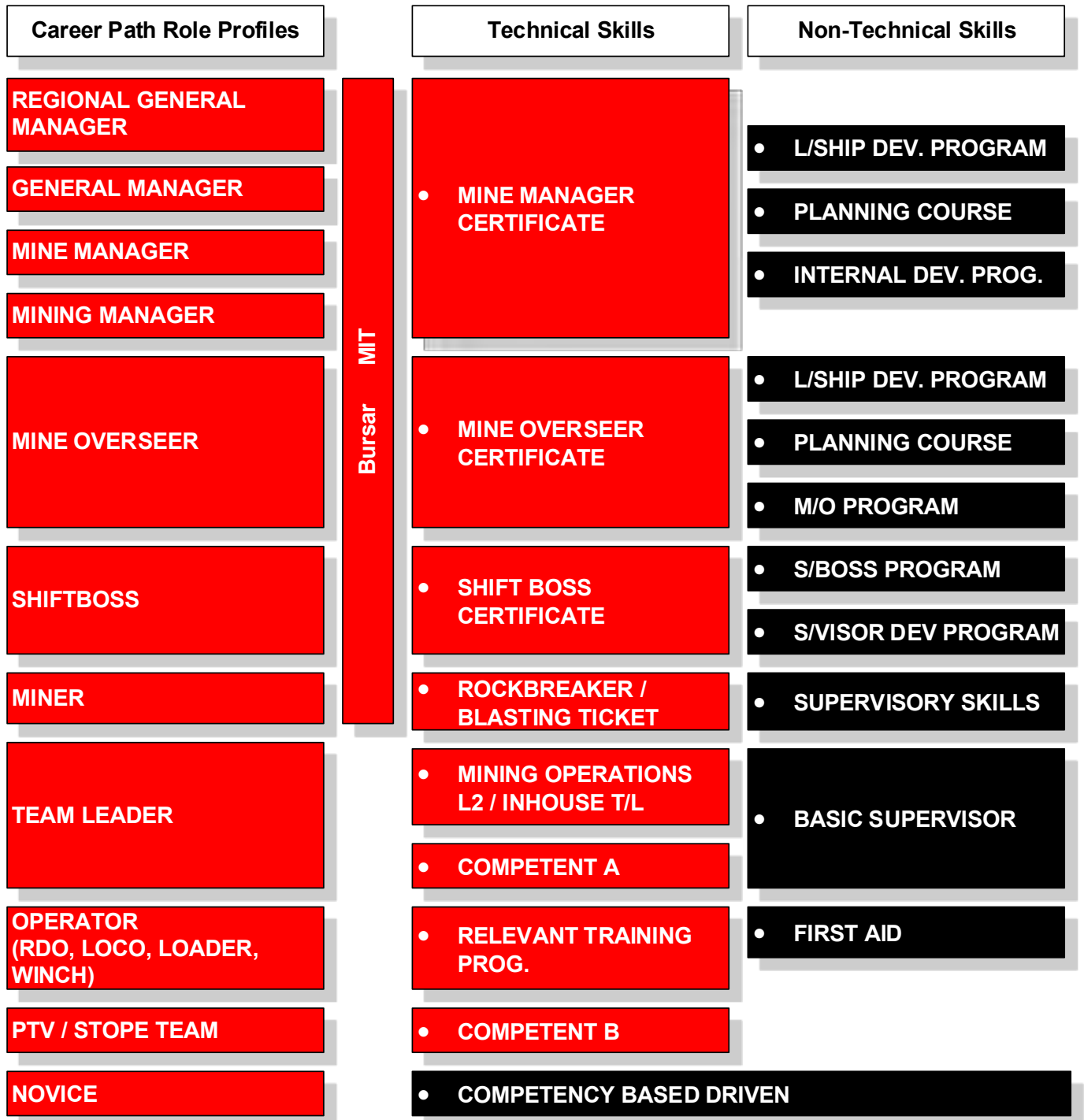


**Step 4: Continuous evaluation of employee development plan and providing employee feedback**

**Pipeline for career progression for each of the core career disciplines**

*The diagrams below show examples of career paths for each of the main career disciplines within Operation.*

**Career path – Mining**





## Career path – Engineering

Entry Requirements	Career Path Role Profiles	Skills Development
	<b>Group Engineering Manager</b>	
Government Ticket / Appointment	<b>SENIOR ENGINEERING MANAGER</b> Management	<ul style="list-style-type: none"> <li>Specialised Management Courses</li> </ul>
Government Ticket / Appointment	<b>SENIOR ENGINEER</b> Management	<ul style="list-style-type: none"> <li>Specialised Management Courses</li> </ul>
Government Ticket / Appointment	<b>ENGINEER</b> Management	<ul style="list-style-type: none"> <li>Specialised Management Courses</li> </ul>
Degree / Diploma / N6 with required subjects for GCC Exam	<b>JUNIOR ENGINEER</b> Official	<ul style="list-style-type: none"> <li>Harmony Junior Engineers Development Programme</li> </ul>
<ul style="list-style-type: none"> <li>* Level 4 Engineering Artisan</li> <li>* N4 / N5 / Equivalent</li> <li>* 5 Years Supervisory Experience</li> </ul>	<b>CHIEF ELECTRICIAN / CHIEF ENGINEERING SUPERVISOR</b> Official	<ul style="list-style-type: none"> <li>Harmony Certificate in Management Specialise Courses</li> </ul>
<ul style="list-style-type: none"> <li>* Relevant Trade</li> <li>* N3 Equivalent</li> <li>* 5 Years Trade Specific Experience</li> <li>* Completed Eng Foreman Dev Programme</li> </ul>	<b>ENGINEERING FOREMAN</b> Official	<ul style="list-style-type: none"> <li>Harmony Foreman Development Programme</li> </ul>
<ul style="list-style-type: none"> <li>* Degree / Diploma in electrical Engineering or Instrumentation OR</li> <li>* Instrumentation Mechanician Trade and N6 and ECSA Registration as a Technician</li> </ul>	<b>INSTRUMENTATION TECHNICIAN</b> Official	<ul style="list-style-type: none"> <li>ECSA Requirements &amp; Specialised Instrumentation Courses</li> </ul>
<ul style="list-style-type: none"> <li>* N2 Equivalent</li> <li>* Technical Grade 12 with relevant Subjects including Maths &amp; Science</li> </ul>	<b>ENGINEERING ARTISAN</b> Union Men & Artisans	<p>One of the following Skills (L3 &amp; L4)</p> <ul style="list-style-type: none"> <li>Instrumentation or Measuring &amp; Control</li> <li>Electrical</li> <li>Fitting</li> <li>Plater / Welder</li> <li>Diesel Mechanic</li> <li>Rigging</li> </ul>
<ul style="list-style-type: none"> <li>* N1 / Grade 10 - Maths and Science</li> <li>* English Literate / Communication</li> <li>* 1 Year Engineering Experience</li> </ul>	<b>SERVICE PERSON</b> Union Men & Artisans	<p>One of the following Skills</p> <ul style="list-style-type: none"> <li>Electro Mechanics L2</li> <li>Horizontal Transport L2</li> <li>Stoping and Developing L2</li> </ul>
Grade 10 (Maths, Science, English Literate and Communication)	<b>ENGINEERING ASSISTANTS / OPERATORS</b> Cat 4 - 8	Generic Engineering Skill i.e. Engineering Assistant Training plus Occupation Related Training (e.g. Belt Attendant Training course)
	<b>NEW RECRUIT</b> Grade 10 Maths & Science	



## Career path – Ore Reserves (Survey)

Career Development			
Ticketed Surveyor			
Career Path Role Profiles	Qualification	Technical Skills	Non-Technical Skills
ORE RESERVE MANAGER	<ul style="list-style-type: none"> <li>NQF 8</li> <li>NHD SURVEY OR BTECH</li> <li>+ GSCC OR</li> <li>SURFACE SURV CERTIFICATE</li> </ul>	<ul style="list-style-type: none"> <li>GRADE MANAGEMENT</li> <li>FINANCE MANAGEMENT</li> <li>RESERVES &amp; RESOURCES MANAGEMENT</li> </ul>	<ul style="list-style-type: none"> <li>LEADERSHIP</li> <li>PROFESSIONAL REGISTRATION</li> <li>STRATEGIC PLANNING</li> </ul>
SURVEY HOD (M+ 10 YEARS)	<ul style="list-style-type: none"> <li>SURVEY GOVERNMENT</li> <li>CERTIFICATE OF COMPETENCY</li> </ul>	<ul style="list-style-type: none"> <li>CARRY LEGALS</li> <li>RELEVANT COMPUTER SOFTWARE</li> </ul>	<ul style="list-style-type: none"> <li>LEADERSHIP</li> <li>EMPLOYEE DEVELOPMENT</li> </ul>
SECTION SURVEYOR (M+ 8 YEARS)	<ul style="list-style-type: none"> <li>NQF 6</li> <li>National Higher Diploma Mining Survey OR BTECH</li> </ul>	MANAGE SECTION	<ul style="list-style-type: none"> <li>FINANCIAL MANAGEMENT</li> </ul>
MINE SURVEYOR / SENIOR SURFACE SURVEYOR (M+ 6 YEARS)	<ul style="list-style-type: none"> <li>NQF 6</li> <li>National Higher Diploma Mining Survey</li> </ul>	<ul style="list-style-type: none"> <li>GYRO AND CHECK SURVEY</li> <li>LATOUTS</li> <li>HOLING NOTES</li> </ul>	<ul style="list-style-type: none"> <li>SUPERVISORY SKILLS</li> </ul>
SHAFT / SURFACE SURVEYOR GRADUATE SURVEYOR	<ul style="list-style-type: none"> <li>NQF 5</li> <li>NATIONAL DIPLOMA SURVEY</li> </ul>	<ul style="list-style-type: none"> <li>GYRO AND CHECK SURVEY</li> <li>LATOUTS</li> </ul>	<ul style="list-style-type: none"> <li>SUPERVISORY SKILLS</li> <li>PRESENTATION &amp; MEETING SKILLS</li> <li>RELEVANT COMPUTER SOFTWARE</li> </ul>
<ul style="list-style-type: none"> <li>COMPETENCY BASED DRIVEN</li> </ul>			<ul style="list-style-type: none"> <li>HEALTH AND SAFETY</li> </ul>
Non Ticket Surveyor			
Career Path Role Profiles	Qualification	Technical Skills	Non-Technical Skills
SECTION SURVEYOR (M+ 10 YEARS)	<ul style="list-style-type: none"> <li>NQF 8</li> <li>ADVANCED SURVEY</li> <li>MRM AND OR GDE</li> </ul>	<ul style="list-style-type: none"> <li>MANAGE SECTION</li> </ul>	<ul style="list-style-type: none"> <li>REGISTERED WITH PLATO</li> <li>MANAGEMENT LEADERSHIP</li> </ul>
MINE SURVEYOR / SENIOR SURFACE SURVEYOR (M+ 9 YEARS)	<ul style="list-style-type: none"> <li>NQF 6</li> <li>ADVANCED SURVEY OR</li> <li>NHD SURVEY + MRM</li> </ul>	<ul style="list-style-type: none"> <li>GYRO AND CHECK SURVEY</li> <li>LATOUTS</li> <li>HOLING NOTES</li> </ul>	<ul style="list-style-type: none"> <li>SUPERVISORY SKILLS</li> </ul>
SHAFT / SURFACE SURVEYOR 48 MONTHS	<ul style="list-style-type: none"> <li>NQF 5</li> <li>ADVANCED SURVEY</li> </ul>	<ul style="list-style-type: none"> <li>GYRO AND CHECK SURVEY</li> <li>LATOUTS</li> </ul>	<ul style="list-style-type: none"> <li>SUPERVISORY SKILLS</li> <li>PRESENTATION &amp; MEETING SKILLS</li> </ul>
SENIOR SURVEYOR 36 MONTHS +12 MONTHS	<ul style="list-style-type: none"> <li>NQF 4</li> <li>ELEMENTARY SURVEY</li> </ul>	<ul style="list-style-type: none"> <li>DEVELOPMENT</li> <li>+ CHECK SURVEY</li> </ul>	<ul style="list-style-type: none"> <li>RELEVANT COMPUTER SOFTWARE</li> </ul>
SURVEYOR 24 MONTHS	<ul style="list-style-type: none"> <li>NQF 4</li> </ul>	<ul style="list-style-type: none"> <li>STOPE SURVEY</li> <li>INSTALL PEGS</li> </ul>	<ul style="list-style-type: none"> <li>REPORT WRITING</li> </ul>
JUNIOR SURVEYOR 12 MONTHS	<ul style="list-style-type: none"> <li>ELEMENTARY SURVEY +</li> </ul>		
LEARNER SURVEYOR 6 MONTHS	<ul style="list-style-type: none"> <li>NQF 3</li> <li>BASIC SURVEY</li> </ul>	<ul style="list-style-type: none"> <li>INSTALL PEGS +</li> <li>MEASURING</li> </ul>	<ul style="list-style-type: none"> <li>SURVEY EQUIPMENT CARE</li> </ul>
TRAINEE SURVEYOR	<ul style="list-style-type: none"> <li>NQF 1 ABET 4 OR</li> <li>MATRIC (GRADE 12)</li> </ul>	<ul style="list-style-type: none"> <li>MATHS + SCIENCE</li> </ul>	<ul style="list-style-type: none"> <li>WORK IN TEAM</li> </ul>
<ul style="list-style-type: none"> <li>ENTRY BASED ASSISTANCE</li> </ul>			
<ul style="list-style-type: none"> <li>COMPETENCY BASED DRIVEN</li> </ul>			<ul style="list-style-type: none"> <li>HEALTH AND SAFETY</li> </ul>



## Career path – Ore Reserves (Geology)

### Career Development

#### Graduate Route

Career Path Role Profiles	Qualification	Technical Skills	Non-Technical Skills
ORE RESERVE MANAGER	<ul style="list-style-type: none"> <li>NQF 8</li> <li>B SC HONOURS</li> </ul>	<ul style="list-style-type: none"> <li>GRADE MANAGEMENT</li> <li>FINANCE MANAGEMENT</li> <li>RESERVES &amp; RESOURCES MANAGEMENT</li> </ul>	<ul style="list-style-type: none"> <li>LEADERSHIP</li> <li>PROFESSIONAL REGISTRATION</li> <li>STRATEGIC PLANNING</li> </ul>
GEOLOGY HOD (M+10)	<ul style="list-style-type: none"> <li>NQF 8</li> <li>B Sc HONOURS</li> <li>GRADUATE DIPLOMA IN ENGINEERING (GDE)</li> </ul>	<ul style="list-style-type: none"> <li>MANAGE A SECTION</li> <li>GRADE CONTROL</li> <li>MANAGE DRILLING PROJECTS</li> <li>GEOLOGICAL MODELLING</li> <li>APPLY COMPUTER SOFTWARE</li> </ul>	<ul style="list-style-type: none"> <li>LEADERSHIP/ MENTORING</li> <li>EMPLOYEE DEVELOPMENT</li> <li>FINANCIAL MANAGEMENT</li> </ul>
SECTION GEOLOGIST (M+8)	<ul style="list-style-type: none"> <li>NQF 8</li> <li>B SC HONOURS</li> <li>GRADUATE DIPLOMA IN ENGINEERING (GDE)</li> </ul>	<ul style="list-style-type: none"> <li>MANAGING DEVELOPMENT AND STOPING</li> <li>INTEPRETE STRUCTURE</li> <li>COMPILE LAYOUTS &amp; PLANS</li> <li>APPLY COMPUTER SOFTWARE</li> </ul>	<ul style="list-style-type: none"> <li>SUPERVISORY SKILLS</li> </ul>
SENIOR GEOLOGIST (M+6)	<ul style="list-style-type: none"> <li>NQF 8</li> <li>B SC HONOURS</li> </ul>	<ul style="list-style-type: none"> <li>FACE MAPPING</li> <li>STRUCTURE INTEPRETATION</li> <li>APPLY DRILL AND SAMPLING TECHNIQUES</li> </ul>	<ul style="list-style-type: none"> <li>SUPERVISORY SKILLS</li> <li>MEETING SKILLS</li> <li>PRESENTATION SKILLS</li> <li>PROBLEM SOLVING</li> </ul>

#### In House Route

Career Path Role Profiles	Qualification	Technical Skills	Non-Technical Skills
SECTION GEOLOGIST 10 YEARS	<ul style="list-style-type: none"> <li>NQF 6</li> <li>GRADUATE DIPLOMA IN ENGINEERING (GDE)</li> </ul>	<ul style="list-style-type: none"> <li>GRADE CONTROL</li> <li>MANAGE DRILLING PROJECTS</li> <li>GEOLOGICAL MODELLING</li> <li>APPLY COMPUTER SOFTWARE</li> </ul>	<ul style="list-style-type: none"> <li>PROFESSIONAL REGISTRATION</li> <li>LEADERSHIP/ MENTORING</li> <li>MANAGEMENT SKILLS</li> </ul>
SENIOR GEOLOGIST 9 YEARS	<ul style="list-style-type: none"> <li>NQF 6</li> <li>MINERAL RESOURCES MANAGEMENT (MRM)</li> </ul>	<ul style="list-style-type: none"> <li>FACE MAPPING</li> <li>STRUCTURE INTEPRETATION</li> <li>APPLY DRILLING AND SAMPLING TECHNIQUES</li> </ul>	<ul style="list-style-type: none"> <li>SUPERVISORY SKILLS</li> <li>PROJECT MANAGEMENT</li> <li>COMPUTER LITERATE</li> <li>SUPERVISORY SKILLS</li> </ul>
SHAFT GEOLOGIST 48 MONTHS	<ul style="list-style-type: none"> <li>NQF 5</li> <li>Advanced Geology</li> </ul>	<ul style="list-style-type: none"> <li>MAPPING/ STRUCTURAL INTERPRETATION</li> </ul>	<ul style="list-style-type: none"> <li>REPORT WRITING SKILLS</li> </ul>
SENIOR GEOTECH 36 MONTHS	<ul style="list-style-type: none"> <li>NQF 4</li> <li>INTERMEDIATE GEOLOGY</li> </ul>	<ul style="list-style-type: none"> <li>MAPPING</li> <li>SAMPLING TECHNIQUE</li> </ul>	<ul style="list-style-type: none"> <li>COMMUNICATION SKILLS</li> <li>BUSINESS WRITING SKILLS</li> </ul>
GEOTECH 24 MONTHS	<ul style="list-style-type: none"> <li>NQF 4</li> <li>Basic Geology</li> <li>Basic Sampling</li> </ul>	<ul style="list-style-type: none"> <li>SAMPLING TECHNIQUE</li> </ul>	<ul style="list-style-type: none"> <li>HEALTH AND SAFETY</li> </ul>
JUNIOR GEOTECH 12 MONTHS	<ul style="list-style-type: none"> <li>NQF 4 OR ABET 4</li> <li>MATRIC (GRADE 12)</li> </ul>	<ul style="list-style-type: none"> <li>COMPETENCY BASED DRIVEN</li> </ul>	
LEARNER SAMPLER 6 MONTHS			
TRAINEE SAMPLER ENTRY NO EXPERIENCE			



## Career path – Metallurgy

Career Path Role Profiles	Qualification	Technical Skills	Non-Technical Skills
Group Metallurgist	BSc(Eng) Extraction Met B Eng/BSc(Eng)	4 Years Tertiary Education 10 Years Experience & broad exposure essential	<ul style="list-style-type: none"> <li>Leadership Development Programme</li> <li>Management Development programme</li> </ul>
Plant Manager	BEng/BSC(Eng) B-Tech: Extraction Metallurgy	4 Years Tertiary Education 4-5 Years Experience,	
Senior Plant Metallurgist	BEng/BSC(Eng) B-Tech: Extraction Metallurgy	4 Years Tertiary Education 4 Years Experience,	
Metallurgist	BEng/BSC(Eng) Nat Diploma – Extraction Metallurgy	3 Years Tertiary Education 4 Years Experience	<ul style="list-style-type: none"> <li>Relevant Supervisory Development programme</li> </ul>
Business Unit Leader	Manufacturing Supervisor NQF 5 once registered	5 Years Experience Business Unit Leader Workbook	
Shift Foreman / Section Foreman	Mineral Beneficiation Process Controller NQF 4 once registered	5 Years Experience Foreman Workbook	
Section Supervisor / Plant Operator	Plant Controller NQF 3 once registered	3 Years Experience Supervisor Workbook	
Met Operator / Section Operator	Mineral Processing Machine Operator NQF 2 once registered	<p>Complete relevant course and area workbook and 2 Years experience in the following areas:</p> <ul style="list-style-type: none"> <li>✓ Ore Reception</li> <li>✓ Milling</li> <li>✓ Crushing</li> <li>✓ Thickening and Leach</li> <li>✓ Adsorption</li> <li>✓ Grading Room</li> <li>✓ Chemical Handling</li> <li>✓ Smelting</li> <li>✓ Relining</li> <li>✓ Backfilling</li> </ul>	
Met Assistant / Met Specialist	Mineral Beneficiation Plant Worker NQF 1 once registered		
GENERAL WORKFORCE	SELECTION CRITERIA Min Edu level for selection = Grade 10 with English		



## Talent pool

### Objective of the talent pool

The objective of the Operation's talent pool (as has been defined for all Harmony mines) includes the following:

- People development
- Succession management
- Performance management
- Career management
- Employment equity – meeting employment equity targets

### Plan for HDSA representation in the talent pool

The figure below represents a percentage of the actual Leadership and Skills Development Plans above.

% HDSA representation in Talent Pool	Year 1	Year 2	Year 3	Year 4	Year 5
	80%	80%	80%	80%	80%

### Measures to develop the talent pool

The following measures are employed to develop the talent pool:

- Mentorship / Coaching
- Employment equity targets (as per the Employment Equity Act)
- Group/mine career opportunities (promotions, transfers and acting opportunities)
- Opportunities in Harmony's growth projects
- Expatriate opportunities in Harmony's international operations – Papua New Guinea (PNG)

### Targeted employees in the talent pool

All high potential and high performing employees within Operation are eligible to be part of the talent pool. However, the number of the people in the talent only includes the top talent in the mine.

The following occupational levels are represented in the talent pool:

- Technically skilled/operators: skilled technical and academically qualified workers, junior management, supervisors, foremen – Patterson bands C1 to C5
- Professionals: professionally qualified, experienced specialists and mid management – Patterson bands D1 to D5
- Senior management – Patterson bands E1 to E5

The talent pool is identified based on the top performing employees with the highest potential, especially in core disciplines.

## 2.5 Mentorship Programmes

In order for Harmony to develop highly competent leaders and a healthy pipeline of HDSA leaders and professionals, an internal mentorship and coaching programme was developed to encourage and support the developmental areas identified to be lacking.



## Implementation plan

<b>MENTORSHIP AND COACHING</b>	
<b>IMPLEMENTATION PLAN</b>	
<b>Objectives:</b>	<ul style="list-style-type: none"> <li>To develop a pipeline of leaders and professionals</li> <li>To ensure we have the resources to effectively meet the future requirements of our employment equity plan</li> <li>To practically enhance the skills of young upcoming leaders</li> </ul>
<b>Deliverable benefits:</b>	<ul style="list-style-type: none"> <li>Adequate and competent mentors / coaches</li> <li>Consistently mentored protégés / coachees</li> </ul>
<b>Implementation plan:</b>	<ul style="list-style-type: none"> <li>Ongoing training of current mentors / coaches</li> <li>Develop and support mentors / coaches</li> <li>Monitor the progress of sessions between mentors and protégés annually</li> </ul>

### Mentorship Plan

All employees on Leadership related development and / or talent pool programmes will form part of the Mentorship / Coaching Programme.

*The table below reflects the Mentorship plan*

<b>MENTORSHIP PROGRAMME</b>						
<b>Description</b>	<b>Plan</b>					<b>Total</b>
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	
Leadership Development	9	9	9	7	7	<b>41</b>
Supervisory Development	4	4	4	4	4	<b>20</b>
Mine Manager Certificate	1	1	1	1	1	<b>5</b>
Mine Overseer Certificate	3	3	3	3	3	<b>15</b>
Advance Miners Certificate (Shiftboss)	8	8	8	8	8	<b>40</b>
Engineering Foreman	1	1	1	1	1	<b>5</b>
Human Resources Manager	1	1	1	1	1	<b>5</b>
Human Resources Officer	2	2	2	2	2	<b>10</b>
Financial Manager	1	1	1	1	1	<b>5</b>
Chief Safety Officer	1	1	1	1	1	<b>5</b>
Safety Officer	3	3	3	3	3	<b>15</b>



MENTORSHIP PROGRAMME						
Description	Plan					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
Occupational Hygiene Officer	1	1	1	1	1	5
<b>Total</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>33</b>	<b>33</b>	<b>171</b>

## 2.6 MQA, Internship, Graduate and Bursaries programmes

Our MQA, internship and experiential training programme is part of Harmony's talent development programme. Graduates from different South African universities are recruited either directly or indirectly through the MQA grant system and placed on the internship programme over a period of time not longer than two years, to gain necessary practical work experience in various core mining related disciplines such as mining, engineering, geology, metallurgy and survey. Most of the graduates are HDSAs and are drawn from the immediate local communities where Harmony operates. Once these learners have completed the internship programme, Harmony exercises the first option whether or not to offer the candidates permanent employment.

This programme does not only help to provide the individuals with practical work experience, but also to equip the candidates with business management and leadership skills to prepare them for future managerial related work.

### MQA and Experiential training plan

*The table below reflects the planned intake levels for MQA and Experiential training students*

MQA / EXPERIENTIAL TRAINING PROGRAMMES						
	Plan					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
Total Planned	6	6	6	6	6	30

**Note:** *The table above display the new intake per year. Due to the fact that the period of training exceeds 12 months, there will always be double the annual intake persons in training and funds are allocated accordingly.*

### Interns and Graduates training plan

*The table below reflects the planned intake levels for Interns and Graduate students*

INTERN AND GRADUATE PROGRAMME						
	Plan					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
Total Planned	6	6	6	6	6	30

**Note:** *The table above display the new intake per year. Due to the fact that the period of training exceeds 12 months, there will always be double the annual intake persons in training and funds are allocated accordingly.*





## Bursary programme

The Operation will facilitate the awarding of bursaries to deserving students annually.

### BURSARY PROGRAMME

The provision of further education and training with regards to bursary and community bursary students with a service obligation to Harmony.

#### Objectives:

To promote the tertiary education and training of bursary students, according to the strategic labour requirements of the Operation, in order to develop future leaders in areas identified as mining core disciplines. Students are allocated bursaries in consultation with the local municipalities, where possible, and will be allowed to study for a diploma or degree at accredited tertiary institutions within the SA.

#### The core disciplines that Harmony give priority to when allocating bursaries are as follow:

- Mining engineering
- Engineering
- Metallurgy
- Ore Reserve Management.

#### Beneficial change:

The empowerment of young talented South Africans will be from the local community. These candidates must be achievement oriented, able to handle the challenges of teamwork in a mining environment and have a business mind set.

#### Beneficiaries:

- Talented South Africans with a passion for core mining disciplines and the desire to join Harmony.
- Should the municipality approach Harmony to award bursaries for disciplines aligned to their strategic priorities, such requests will also be considered.

#### Implementation plan:

- Promotion of this unique opportunity to students with potential through the Harmony website and internally for employees to be aware of opportunities for their children.
- Annual applications received by the Harmony bursary scheme before 30 August of each year.
- Assessment of short listed applicants and selection through the interview process.
- Formal bursary contracting with Harmony.



## Bursary plan

The table below reflects the planned intake levels for Community Bursars

COMMUNITY BURSARY PROGRAMME						
	Plan					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
Total Planned	3	3	3	3	3	15

**Note:** The table above display the new intake per year. Due to the fact that the period of training exceeds 12 months, there will always be double the annual intake persons in training and funds are allocated accordingly.

## 2.7 Financial provision – Human Resource Development

The details of the five year financial provision for the HRD programme are outlined in the table below:

FINANCIAL PROVISION - HRD						
	Plan					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
Adult Education and Training	422,587.92	422,587.92	422,587.92	422,587.92	422,587.92	2,112,939.60
Learnership 18.1	1,948,384.03	2,075,028.99	2,209,905.88	2,353,549.76	2,506,530.49	11,093,399.15
Learnership 18.2	1,344,379.68	1,431,764.36	1,524,829.04	1,623,942.93	1,729,499.22	7,654,415.23
Skills Development	781,464.63	823,240.35	876,750.97	943,969.91	998,064.56	4,423,490.41
MQA, Experiential Training	864,000.00	915,840.00	970,790.40	1,029,037.82	1,090,780.09	4,870,448.32
Interns and Graduates	950,400.00	1,007,424.00	1,067,869.44	1,131,941.61	1,199,858.10	5,357,493.15
Community Bursars	600,000.00	636,000.00	674,160.00	714,609.60	757,486.18	3,382,255.78
<b>Total Financial Provision</b>	<b>6,911,216.26</b>	<b>7,311,885.62</b>	<b>7,746,893.65</b>	<b>8,219,639.55</b>	<b>8,704,806.57</b>	<b>38,894,441.64</b>



## 2.8 Employment Equity

### Introduction

The Operation is committed to organisational transformation, along with the transformation of South African society. The mine strategically views transformation as a long-term opportunity for the sustainable growth of the company's business.

### Form S

*Breakdown of Board and Top Management Levels as at March 2017*

OCCUPATIONAL LEVELS FOR BOARD AND TOP MANAGEMENT															
Form S	African		Coloured		Indian		White		Foreign Nationals		Total	Total HDSA	% HDSA	Total Females	% Females
	M	F	M	F	M	F	M	F	M	F					
Board	5	2			1		3		1		12	8	67%	2	17%
Top Management (EXCO)	3					1	5	1			10	5	50%	2	20%
<b>Total permanent</b>	<b>8</b>	<b>2</b>			<b>1</b>	<b>1</b>	<b>8</b>	<b>1</b>	<b>1</b>		<b>22</b>	<b>13</b>	<b>59%</b>	<b>4</b>	<b>18%</b>

*\*The above table reflects the Board and Top Management levels. They are not part of this operation only, they play an overseeing role in all of Harmony's Operations*

*Breakdown of mine employees per occupational level as at March 2017*

OCCUPATIONAL LEVELS - as at March 2017														
Form S	African		Coloured		Indian		White		Foreign Nationals		Total	% HDSA	% Females	
	M	F	M	F	M	F	M	F	M	F				
Senior management	2	1					3				6	50%	17%	
Qualified professionals, specialists and mid-management	16	2					14	1			33	58%	9%	
Skilled technical workers, junior management, supervisors	179	40	2	1			76	3	26	1	328	69%	14%	
Semi-skilled and discretionary decision making	630	48	1				5	1	247	2	934	73%	5%	
Unskilled and defined decision making	982	212	1						327	48	1570	76%	17%	
<b>Total permanent</b>	<b>1809</b>	<b>303</b>	<b>4</b>	<b>1</b>			<b>98</b>	<b>5</b>	<b>600</b>	<b>51</b>	<b>2871</b>	<b>74%</b>	<b>13%</b>	
Non-permanent employees	460	33			4		48	3	69	1	618	81%	6%	
<b>Total</b>	<b>2269</b>	<b>336</b>	<b>4</b>	<b>1</b>	<b>4</b>		<b>146</b>	<b>8</b>	<b>669</b>	<b>52</b>	<b>3489</b>	<b>75%</b>	<b>11%</b>	



### Strategies in support of employment equity:

- Positioning of vacant posts as development posts:**  
 Vacant positions can become a development potential with fewer educational and experience requirements. These positions should facilitate the appointment of a HDSA member. They are advertised internally and a development plan is set up to ensure that the incumbents achieve the necessary educational qualification or experience. Funds are available for any training or developmental needs.
- Community internship programmes:**  
 This focuses on graduates, certificated persons and diplomats. In the internship programmes, consideration can also be given to prepare individuals for first level professional positions.
- Succession planning / Talent management for employees:**  
 Employees are being developed to be ready to fill vacancies when such arise.
- Recruitment and selection:**  
 Recruitment and selection strategies are geared towards achieving the employment of suitably qualified candidates from the designated groups.

### Qualitative targets

- Create awareness of employment equity issues through established structures
- Implement appropriate diversity programmes for all employees to create awareness of diversity issues and the management thereof

### Employment equity and Female representation plans for 2018 to 2022

The table below reflects the plan for Employment Equity as well as Female Representation

Employment Equity figures for 2018 to 2022										
Description	2018		2019		2020		2021		2022	
	% HDSA	% Females	% HDSA	% Females	% HDSA	% Females	% HDSA	% Females	% HDSA	% Females
Senior management	43%	14%	43%	14%	57%	14%	57%	14%	57%	14%
Qualified professionals, specialists and mid-management	65%	9%	76%	12%	85%	15%	85%	15%	85%	15%
Skilled technical workers, junior management, supervisors	79%	16%	88%	13%	84%	18%	85%	18%	85%	20%
Semi-skilled and discretionary decision making	93%	9%	96%	10%	96%	11%	98%	11%	98%	12%
Unskilled and defined decision making	88%	18%	88%	18%	88%	18%	90%	19%	90%	19%
<b>Total permanent</b>	<b>88%</b>	<b>15%</b>	<b>90%</b>	<b>15%</b>	<b>90%</b>	<b>16%</b>	<b>92%</b>	<b>16%</b>	<b>92%</b>	<b>17%</b>



## **Transformation at the Operation**

The Operation seeks a sustainable rate of change with regard to employment equity and transformation.

The Operation is committed to the following central focus points in its long term transformation and EE strategy:

- Setting annual targets intended to address the economically active population profile of the country.
- Pursuing transparency in recruitment, promotion and placement processes
- Accelerating the training and development of historically disadvantaged groups to contribute to their skills base and career advancement
- Establishing and maintaining an organisational culture that promotes better understanding and tolerance of the diverse backgrounds of all employees
- Continuously offering awareness in diversity management
- Facilitate quarterly EE meetings with organised labour to monitor progress, and maintain ongoing dialogue on matters relating to EE

### **Monitoring of the employment equity plan:**

#### **Objectives:**

- Achieve HDSA representation in senior levels of the organisation
- Talent retention through specific interventions
- Managing diversity
- The management and monitoring of EE programmes
- Management of relevant development interventions for employees

#### **Implementation plan:**

- Ongoing analysis and implementation of employment equity plans
- Monitor EE targets quarterly per functional business unit
- Ongoing review and monitoring of the process followed to identify and retain talent at the Operation

### **Women in mining and gender diversity**

Historically, women have been excluded from taking up positions in mining. Within the mining environment, women were traditionally employed within roles in services disciplines, thus the challenge has been to include women in non-traditional supervisory roles that are directly linked to the core business of mining.

The Operation is aware of the potential contribution of women to the functioning of the mines, and thus ensures that all people are treated equally, fairly and without discrimination. Thus, diversity management is of great importance in ensuring women are integrated into a predominantly male environment, in a manner which takes into account the diverse nature of the mining industry.

### **Current challenges faced by women underground within Harmony include:**

- Attracting and retaining female employees in core supervisory positions within the mining environment
- Overcoming negative perceptions and myths around women capabilities
- The physiological challenges of accommodating women
- Identifying the unique training needs of women



**Challenges which are being addressed, as a long-term strategy for the inclusion of women in mining as listed below:**

- Driving diversity and gender equality awareness
- Championing social behaviour and mind set changes among male employees
- Developing a pipeline to identify, develop and improve representation of skilled female employees in supervisory positions in core disciplines
- Thorough induction to prepare women for the challenges of working underground
- Investing in accommodation and change house facilities to cater for female employees, including PPE and ablution facilities with sanitary bins
- The provision of family planning facilities for female employees
- The facilitation of alternative surface work for pregnant employees



## Section 3: Local economic development programme

As per Regulation 46(c): Local economic development programme, the following is covered in this section:

- Regulation 46(c)(i): The social and economic background of the area in which the mine operates
- Regulation 46(c)(ii): Key economic activities of the area in which the mine operates
- Regulation 46(c)(iii): Impact of the mine in local and labour-sending communities
- Regulation 46(c)(iv): Infrastructure and poverty eradication projects in the local and labour-sending areas
- Regulation 46(c)(v): Housing and living conditions
- Regulation 46(c)(vi): Measures to address nutrition
- Regulation 46(c)(vii): Procurement progression plan and its implementation for HDSA companies in terms of capital goods, services and consumables

### 3.1 Introduction

The Operation recognises that the business of gold mining has considerable economic, social and environmental impacts which have to be considered during the life of the mines. This section of the Social and Labour Plan will consider various issues on LED around the mining community and the labour-sending areas.

The primary objective of mine community development is to meaningfully contribute towards community development, both in terms of size and impact, in keeping with the principles of the social license to operate.

### 3.2 Harmony's group approach to LED

LED is considered to be an integral parts of doing business in Harmony. A key theme is the upliftment of the communities from which the operation draws a significant percentage of its employees. The Operation's LED focuses on how the mine will address the socio-economic needs of its local environment and the regions from which the mine sources its workforce.

#### Harmony's LED support in the mining and labour-sending communities

The Operation approaches the issue of LED through the local governments and municipal authorities in order to impact on local economies, especially in the mining and labour-sending communities. The Operation, as part of Harmony, is tasked with establishing liaison and communication structures with the district and local government structures in the areas where it operates. This participative approach will ensure that all operational initiatives, in the field of economic development, are formulated and implemented as an integral part of the local authorities' economic and integrated development plans.

The LED support by the Operation at the mining and labour-sending communities is guided by the principles outlined in the following paragraphs.

#### LED focus areas

The focus areas for LED support by the Operation include the following:

- Infrastructure development
- Poverty alleviation
- Community development
- Job creation
- Economic Development



The LED project plans agreed to with the local municipalities in the mining and labour-sending communities, as per the this SLP, will specify the focus areas in terms of the above and will also indicate the scope of each project, for instance, in terms of the number of jobs created or the target beneficiaries of a project. The continuous review of the LED projects during the implementation process will ensure that the projects are not static but are revised in terms of changing needs and also to ensure sustainability. New LED projects in addition to the ones identified in this SLP will also be identified in consultation with all relevant stakeholders.

### **LED support drivers**

The LED support by the Operation at various mining and labour-sending communities is driven by the following:

- Integrated development plans (IDPs) and/or local economic development plans of municipalities, both at district and municipal levels
- Provincial growth and development strategies
- National goals on economic development, infrastructure development, social development, and poverty eradication
- Socio-economic development objectives at labour-sending countries for the areas where Harmony sources its employees
- Collaborative and participative (bilateral and stakeholder ) forum structures with local economic development partners
- Direct engagement with community structures

### **LED ownership**

The Operation's main business activity is that of mining and LED support is an integral part of the company's sustainable development strategy. LED is a primary responsibility of the following entities:

- Local government (municipalities)
- Provincial government
- National government

The LED projects will be owned by the local government structures from inception and where this is not the case, the company will ensure that all local stakeholders, including local municipalities, are consulted or are participant in such projects.

### **The Operation's LED responsibilities**

As a responsible corporate citizen the Operation together with other private sector entities that embrace corporate citizenship, does not believe that the task of LED as being solely that of government. We believe LED is an integral part of our business and achieve this by:

- Running profitable and sustainable mining operations that create employment opportunities, boost local economies through support of business activities and contribute to the government tax revenues
- Participating in all activities that aims to promote LED in the community
- Allocating resources in the mining and labour-sending communities to promote and/or support LED





## **Business approach to LED**

Just like all business activities within the company, business principles are applied to LED support to the host communities and labour-sending communities.

This is achieved by ensuring a return on each LED investment through the following:

- **Impact:**  
Each LED project supported must have a positive impact on the mining community or labour-sending area. The impact may, for instance, be in a form of improved infrastructure, jobs created, reduced poverty, skilled community, and increased participation in the economy by community members
- **Development:**  
Each LED project supported must have its primary objective to develop the target community.
- **Focus:**  
To ensure focus, specific beneficiaries will be identified for each LED project supported
- **Sustainability:**  
It is imperative that before each LED project is supported, proper feasibility and sustainability studies are conducted. LED projects must not in the long-term depend on the existence of the mining operations
- **Obtaining and keeping mining licences:**  
LED support in the mining and labour-sending communities must contribute to the company having the right to conduct mining operations in terms of the provisions of the MPRDA. The objective, though, will be to always exceed legal requirements in line with its corporate citizenship strategy

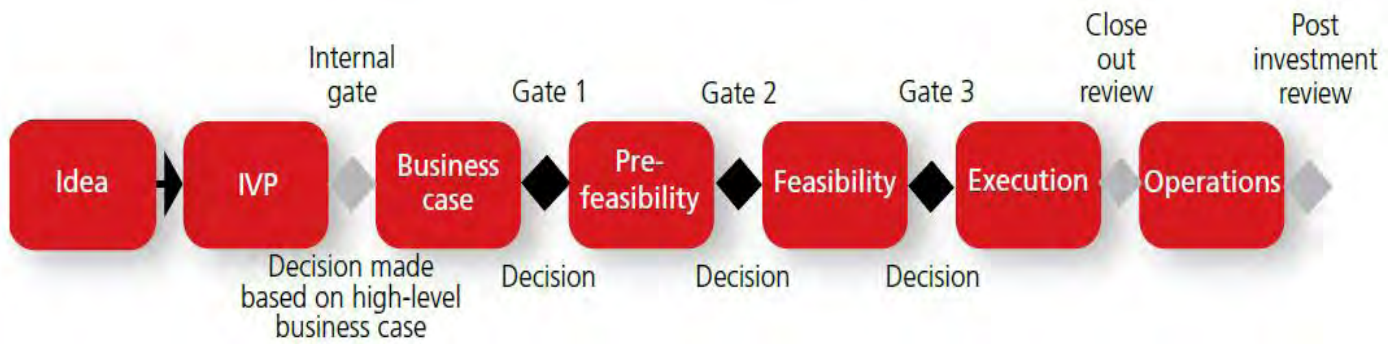
## **Project management principle and process for governance and assurance**

Project management and measurement is a one of the key focus areas within Harmony, and it is also applied by the Operation.

The current Harmony project portfolio encompasses a broad spectrum of projects from building mega mines, both in South Africa and internationally, to smaller projects that cover all the disciplines found in the mining industry. The company has various organic growth and operational improvement projects that are aimed at increasing the life of mines and thereby ensuring long term profitability and long-term employment opportunities.

Harmony manages investment opportunities and projects using a formalised stage gated process in order to ensure appropriate levels of governance and assurance. This process is in line with world best practice. Harmony has a project management function with representation at executive level that oversees projects undertaken in the group.

Success in implementing the numerous projects within Harmony is achieved by implementing rigorous professional project management principles to support the gated approach described above. The gated approach (project life cycle) is summarised as such:



This approach however, cannot be applied to all projects in which Harmony invests. Our LED partners will however be encouraged to follow these practices in their respective environments in order to ensure Harmony LED alignment and support. Harmony will assist in developing these skills where feasible. The key principle here is for each LED project to have a suitable project plan that encompasses the required level of definition.

By applying suitable project management principles, the following advantages will be realised:

- The number of successfully implemented LED projects will increase
- The sustainability of LED projects will increase
- The viability of LED projects will be determined before implementation
- Measurement of LED projects success is easily achieved
- Governance and assurance is formally demonstrated

Harmony, when requested to by the LED partners, will also assist or provide project management capacity to monitor group LED projects and to ensure that professional project management principles are followed as part of the implementation of this SLP. Again, this approach cannot be applied to all projects in which Harmony invests.

### LED projects in the SLP

The LED projects contained in the SLP for the Operation follows the principles above with the following considerations:

- The LED support plans are not static, but will be reviewed regularly with the relevant stakeholders, especially municipalities, for opportunities for continuous improvement and to ensure that maximum economic development benefits are achieved
- The LED projects will always be aligned with the LED objectives as set out by the MPRDA and the MPRDA regulations
- LED projects review will be frequent and continuous, with all stakeholders playing a role including but not limited to municipalities, Harmony, and the DMR

### 3.3 Education

Education is important in the development of any society and plays a critical role in the transformation of South Africa. Harmony's contribution continues to focus on the teaching and learning of science and mathematics; supporting the education system by providing infrastructure such as school libraries and laboratories, as well as educational material. Harmony is also involved in the Jewellery School, Sports Academy, Bridging School, and in educator development in schools surrounding our mines.



### 3.4 Socio-economic development

Socio-economic development includes investment in projects associated with HIV/AIDS, job creation, the alleviation of poverty, promotion of community safety and the facilitation of black economic empowerment (BEE).

The funding of projects, programmes and events are considered depending on the needs identified either locally or nationally.

### 3.5 Responsibility and reporting

The implementation of this SLP, as well as the annual preparation and submission of an annual report by the Operation, is the responsibility of the individual mine and is ultimately accountable to the Executive in charge of the South African mines to ensure plans are successfully implemented.

### 3.6 Socio-economic background and key economic activities of this Operation's mining community

This section will cover the social and economic background of this Operation's mining community. First a brief overview of the social and economic background of the Gauteng Province will be given. This will be followed by that of the City of Johannesburg local municipality, which is the host local municipality. This Operation is located in Region D (region Doornkop / Soweto) of the city of Johannesburg Metropolitan Municipality. Region D is not a local municipality but a region of Johannesburg and so an analysis of the social and economic background and key economic activities will not be given for this specific region (Region D). However, some background information will be given on the information for the Gauteng Province as well as the City of Johannesburg Municipality. *All information was sourced from Statistics South Africa, Census 2011.*

The following areas will be covered namely:

- Gauteng – Population 12 272 263 (675.10 per km<sup>2</sup>), Area 18 178.31 km<sup>2</sup>, Households 3 909 022 (215.04 per km<sup>2</sup>)
- City of Johannesburg Local Municipality – Population 4 434 827, Area 1 644.98 km<sup>2</sup>, Households 1 434 856

#### 3.6.1 Social and economic background in the Gauteng Province

Gauteng is one of the provinces of the Republic of South Africa. Based on census 2011, and with an annual average population growth rate of just over 2.7%, the province is now home to over 12 272 263 inhabitants with the majority concentrated in the areas of Johannesburg, Tswane and Ekurhuleni. The province is divided into five (5) municipalities.

The Gauteng Province consists of the following local municipalities:

Made up of:		
Name	Population	Area (km <sup>2</sup> )
City of Johannesburg	4434827	1644.98
City of Tshwane	2921488	6297.83
Ekurhuleni	3178470	1975.31
Sedibeng	916484	4172.76
West Rand	820995	4087.42



## Population, Gender and Language group

The following tables present the population, Gender and Language groups of the people living in Gauteng

Population group	People	Percentage
Black African	9493684	77.36%
White	1913884	15.60%
Coloured	423594	3.45%
Indian or Asian	356574	2.91%
Other	84527	0.69%

Gender	People	Percentage
Female	6189875	50.44%
Male	6082388	49.56%

First language	People	Percentage
isiZulu	2390036	19.79%
English	1603464	13.28%
Afrikaans	1502940	12.45%
Sesotho	1395089	11.55%
Sepedi	1282896	10.62%
Setswana	1094599	9.06%
isiXhosa	796841	6.60%

First language	People	Percentage
Xitsonga	796511	6.60%
isiNdebele	380494	3.15%
Other	371575	3.08%
Tshivenda	272122	2.25%
SiSwati	136550	1.13%
Sign language	52744	0.44%
Not applicable	196402	

## Population by Group

Municipality	African		Coloured		Indian		White	
	2001	2011	2001	2011	2001	2011	2001	2011
Sedibeng	648,530	748,657	8,459	11,070	6,798	9,140	130,301	143,380
West Rand	587,018	650,132	17,537	20,550	7,116	9,433	132,956	137,041
Ekurhuleni	1,892,331	2,502,769	67,109	85,910	39,707	68,058	482,615	502,439
City of Johannesburg	2,371,038	3,389,278	206,237	247,276	134,080	216,198	514,699	544,530
City of Tswane	1,563,840	2,202,847	40,629	58,788	30,423	53,744	507,430	586,495
<b>Total Gauteng</b>	<b>7,062,757</b>	<b>9,493,683</b>	<b>339,971</b>	<b>423,594</b>	<b>218,124</b>	<b>356,573</b>	<b>1,768,001</b>	<b>1,913,885</b>



## Employment

The following table presents the employment status of the people living Gauteng

### Employment Status Aged 15 to 64 years

Municipality	Employed			Unemployed			Unemployment Rate		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
Sedibeng	198,909	198,275	271,398	105,325	155,256	127,217	34.6	43.9	31.9
West Rand	288,000	266,296	293,335	78,792	126,119	104,894	21.5	32.1	26.3
Ekurhuleni	660,930	760,864	1,126,844	315,170	515,674	455,608	32.3	40.4	28.8
City of Johannesburg	926,590	1,082,758	1,696,520	386,573	646,949	564,970	29.4	37.4	25.0
City of Tswane	607,281	707,626	1,079,273	194,773	326,640	345,356	24.3	31.6	24.2
<b>Total Gauteng</b>	<b>2,681,710</b>	<b>3,015,819</b>	<b>4,467,370</b>	<b>1,080,633</b>	<b>1,770,638</b>	<b>1,598,045</b>	<b>28.7</b>	<b>37.0</b>	<b>26.3</b>

The table above shows that the unemployment rate stands at 26.3%, which is a concern.

The following table presents the average household income of the people living in Gauteng

### Average Household Income

Municipality	2001	2011
Sedibeng	45,788	94,773
West Rand	51,292	100,812
Ekurhuleni	67,605	125,688
City of Johannesburg	89,728	183,247
City of Tswane	94,908	182,822
<b>Total Gauteng</b>	<b>78,541</b>	<b>156,222</b>



## Highest level of education by population group

The following table presents the level of education for the people living in Gauteng.

Level of Education (20 years and older)			
Education Level	1996	2001	2011
No Schooling	461,815	550,685	301,311
Some Primary	561,405	729,792	612,990
Complete Primary	316,506	351,893	277,528
Some Secondary	1,878,338	2,164,579	2,714,950
Grade 12 / Std 10	1,088,566	1,753,022	2,832,448
Higher	473,305	780,265	1,492,322
<b>Total Gauteng</b>	<b>4,779,935</b>	<b>6,330,236</b>	<b>8,231,549</b>

The above table shows that approximately 2.46% of the population in Gauteng has no formal schooling. About 23.08% have completed secondary school up to Grade 12. Only 12.16% of the Province's people have a higher education level. Although the figures for the "no education", "some primary" and "complete primary" school education level is decreasing, and those for "Grade 12" and "higher" level of education is increasing, these low levels of education are a challenge to the province's skills base, employment and income generation. The challenge for the province is to increase the percentage of people that enter higher education.

## Dwelling type

The following table presents the types of dwellings that people use in Gauteng.

Households Types of Main Dwelling									
Municipality	Formal			Informal			Traditional		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
Sedibeng	134,991	183,340	237,279	40,122	37,237	39,925	3,404	3,603	923
West Rand	99,767	138,721	194,395	47,901	65,318	67,737	1,613	3,072	758
Ekurhuleni	377,066	521,750	786,257	156,415	213,334	218,259	2,297	8,091	2,500
City of Johannesburg	561,885	779,720	1,167,935	155,467	212,693	249,823	3,127	11,701	5,626
City of Tswane	355,441	454,129	735,231	91,373	139,482	164,014	6,199	10,433	3,916
<b>Total Gauteng</b>	<b>1,529,150</b>	<b>2,077,660</b>	<b>3,121,097</b>	<b>491,278</b>	<b>668,064</b>	<b>739,758</b>	<b>16,640</b>	<b>36,900</b>	<b>13,723</b>

### 3.6.2 Social and economic background of the City of Johannesburg Local Municipality

The City of Johannesburg Local Municipality is situated in Gauteng province and covers an area of 1 645km<sup>2</sup>. Also known as Jozi, Jo 'burg, or Egoli it is the largest city in South Africa, and the provincial capital of Gauteng, the wealthiest province in South Africa



Key Statistics - 2011			
Total population	4,434,827	Matric aged 20+	34.70%
Young (0-14)	23.20%	Number of households	1,434,856
Working Age (15-64)	72.70%	Number of Agricultural households	80,316
Elderly (65+)	4.10%	Average household size	2.8
Dependency ratio	37.6	Female headed households	36.20%
Sex ratio	100.7	Formal dwellings	81.40%
Growth rate	3.18% (2001-2011)	Housing owned/paying off	40.20%
Population density	2696 persons/km2	Flush toilet connected to sewerage	87.10%
Unemployment rate	25.00%	Weekly refuse removal	95.30%
Youth unemployment rate	31.50%	Piped water inside dwelling	64.70%
No schooling aged 20+	2.90%	Electricity for lighting	90.80%
Higher education aged 20+	19.20%		

## People

According to 2011 census the City of Johannesburg Local Municipality has a total population of 4.4 million of which 76,4% are black African, 12,3% are white people, 5,6% are coloured people, and 4,9% are Indian/Asian. Of those 20 years and older 3,4% have completed primary school, 32,4% have some secondary education, 34,9% have completed matric, 19,2% have some form of higher education, and 2.9% of those aged 20 years and older have no form of schooling.

Population Group	
Group	Percentage
Black African	76.4%
Coloured	5.6%
Indian/Asian	4.9%
White	12.3%
Other	0.8%

Highest Education Level	
Group	Percentage
No Schooling	3.3%
Some Primary	33.6%
Completed Primary	5.0%
Some Secondary	30.0%
Completed Secondary	20.8%
Higher Education	5.3%
Not Applicable	2.1%

Gender	
Gender	Percentage
Female	49.8%
Male	50.2%



Age and Gender Distribution					
Age	Males	Females	Age	Males	Females
0-4	4.9%	4.8%	45-49	2.6%	2.6%
5-9	3.6%	3.6%	50-54	2.1%	2.3%
10-14	3.1%	3.1%	55-59	1.6%	1.8%
15-19	3.5%	3.6%	60-64	1.1%	1.3%
20-24	5.7%	5.6%	65-69	0.7%	0.8%
25-29	6.7%	6.2%	70-74	0.5%	0.6%
30-34	5.7%	5.0%	75-79	0.3%	0.4%
35-39	4.5%	4.0%	80-84	0.2%	0.3%
40-44	3.4%	3.2%	85+	0.1%	0.2%

### Living Conditions

There is 1 434 856 households in the municipality with an average household size of 2.8 persons per household. 64.7% of households have access to piped water, 26.9% have water in their yard and only 1.4% of households do not have access piped water.

Settlement Type	
Area	Percentage
Urban	99.8%
Tribal/Traditional	0.0%
Farm	0.2%

Tenure Status	Percentage
Rented	41.2%
Owned and fully paid off	23.8%
Owned but not yet paid off	16.5%
Occupied rent free	15.9%
Other	2.7%

Energy			
Energy Source	Cooking	Heating	Lighting
Electricity	87.4%	82.1%	90.8%
Gas	3.4%	3.7%	0.2%
Paraffin	8.1%	4.7%	1.7%
Solar	0.2%	0.3%	0.2%
Candles	0.0%	0.0%	6.9%
Wood	0.2%	1.9%	0.0%
Coal	0.1%	0.9%	0.0%
Animal Dung	0.0%	0.1%	0.0%
Other	0.5%	0.0%	0.0%
None	0.1%	6.3%	0.2%





Water	
Source of water	Percentage
Other	1.1%
Borehole	1.0%
Spring	0.1%
Rain water tank	0.1%
Dam/Pool/Stagnant water	0.1%
River/Stream	0.0%
Water vendor	0.4%
Water tanker	1.5%
Regional/Local water scheme (operated by municipality or other water services provider)	95.6%

Toilets	
Toilet Facility	Percentage
None	0.8%
Flush toilet (connected to sewerage system)	87.1%
Flush toilet (with septic tank)	2.3%
Chemical toilet	1.1%
Pit toilet with ventilation	3.4%
Pit toilet without ventilation	2.6%
Bucket toilet	2.0%
Other	0.7%

### Economy

There are 2 261 490 economically active (employed or unemployed but looking for work) people in the City of Johannesburg; of these 25.0% are unemployed. Of the 1 228 666 economically active youth (15–35 years) in the area, 31.5% are unemployed.

Employment (Age 15 - 64)	
Employment Status	Number
Employed	1696520
Unemployed	564970
Discouraged Work Seeker	105882
Not Economically Active	855234

Household Income	
Income	Percentage
None income	16.8%
R1 - R4,800	3.1%
R4,801 - R9,600	4.4%
R9,601 - R19,600	10.7%
R19,601 - R38,200	16.8%
R38,201 - R76,400	14.2%
R76,401 - R153,800	10.5%
R153,801 - R307,600	9.1%
R307,601 - R614,400	7.7%
R614,001 - R1,228,800	4.5%
R1,228,801 - R2,457,600	1.6%
R2,457,601+	0.8%



## Agriculture

Agricultural households by activity	
Type of specific activity	Number
Livestock production	18,270
Poultry production	21,966
Vegetable production	47,746
Production of other crops	23,481
Other	46,292

Income category of agricultural households	
Annual income category of agricultural household heads	Number
No income	18,100
R1-R4 800	2,886
R4 801-R38 400	26,750
R38 401-R307 200	20,120
R307 201+	9,229
Unspecified	3,231

Agricultural households by type	
Type of activity	Number
Crops only	38,361
Animals only	9,203
Mixed farming	18,075
Other	14,678

### Impact of The Operation on the City of Johannesburg and labour-sending communities

The Operation provides employment to 3489 people of whom 2871 are employed directly by the mine and 618 by contractors who provide services to the Mine. It has been determined that approximately half of monthly salaries of the employees is spent in the mining community before the rest is sent back to the labour-sending areas.

The procurement progression plan will increase the money spent in the community by promoting local procurement. Through local procurement, people living in the region will be employed by the local businesses and therefore add to the disposable income of families in the community.



### 3.7 Mine Community Projects

On an annual basis, delegates from the Operation, Department of Mineral Resources and the Municipality need to meet and recommend continuation of the project into the following year. If a decision is taken to discontinue with a project, agreement should be reached on a suggested new project. All parties agreeing to this change must then sign a memorandum of understanding.

A rigorous communication process with the relevant stakeholders were followed regarding possible projects for the specific regions. A Memorandum of Agreement were signed between Harmony and the City of Johannesburg Municipality on the agreed upon projects.

The projects which the Operation will drive in the new plan will be as follow:

- Agricultural Project – Vegetable production
- Purified Bottled Water
- Industrial Business Hub
- Further LED Support
- LED Support for Rietvallei



HARMONY GOLD MINING COMPANY LIMITED  
Randfontein Office Park,  
Cnr Main Reef Road and Ward  
Avenue, Randfontein, 1759

P.O. Box 2, Randfontein, 1780  
Johannesburg, South Africa

T +27 11 411 2000  
F +27 11 692 3873  
W [www.harmony.co.za](http://www.harmony.co.za)

NYSE trading symbol HMY  
JSE trading symbol HAR

12 June 2018

City of Johannesburg Municipality  
1 Koma Road  
Jabulani Civic Centre  
Jabulani, 1867

Attention: Acting Regional Director - Mrs Salome Ngobeza

Dear Sir / Madam

**MEMORANDUM OF UNDERSTANDING AND AGREEMENT**

We hereby confirm our commitment to the following Mine Community Projects for calendar years 2018 to 2022 as part of our Social and Labour Plans for the following Mining Right:

- GP 30/5/1/2/09 MR – Doornkop Mine

The following expenditure provisions have been made for the next 5 years:

Project	5 year Expenditure Provisions
Agricultural Project - Vegetable Production	R 2 900 000,00
Purified Bottled Water	R 1 000 000,00
Industrial Business hub	R 6 000 000,00
Further LED Support	R 5 271 788,00
<b>Total</b>	<b>R 15 171 788,00</b>

Please be advised that the contact person for the above will be George Masha.

Yours Faithfully

George Masha  
Manager: Corporate Social Responsibility  
Harmony

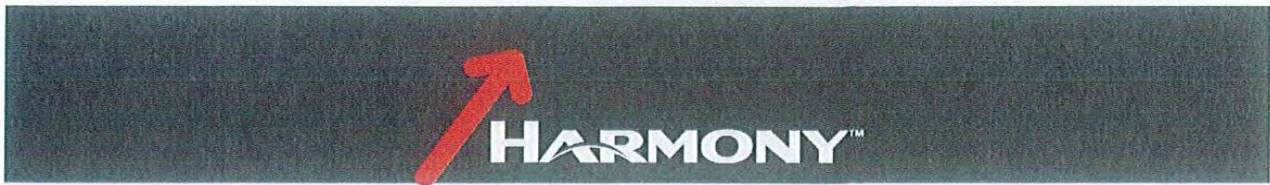
Salome Ngobeza  
Acting Regional Director: Region D  
Citizen Relations and Urban Management

Laip Mochlabaane  
Deputy Director: Area Based Management  
Region D – City of Joburg

Directors: PT Molepa\* (Chairman), JM Moloba\* (Deputy Chairman), PW Steenkamp (Chief Executive), F Abbott (Financial Director), HE Mashaga (Executive Director), JA Chikane\*, FFT De Ruick\*, KV Dicks\*, Dr DSS Luchaba\*, M Mmamang\*, JL Wetton\*, AJ Wilkinnot, KT Nondum, VP Pilay\*, MV Sisoke\*  
Non-Executives: \*Mozar\* (Chair)

Secretary: Riana Bisschoff

Registration Number: 15601030232105



**HARMONY GOLD MINING COMPANY LIMITED**

Randfontein Office Park  
Cnr Main Reef Road and Ward  
Avenue, Randfontein, 1759

P O Box 2, Randfontein, 1760  
Johannesburg, South Africa

T +27 11 411 2000  
F +27 11 692 3879  
W [www.harmony.co.za](http://www.harmony.co.za)

NYSE trading symbol HMY  
JSE trading symbol HAR

18 June 2018

Mogale City Local Municipality  
PO Box 94  
**Krugersdorp,**  
1740

**Attention: Mr M Msezana**  
**Executive Manager: Economic Development Services**

Dear Sir

**MEMORANDUM OF UNDERSTANDING AND AGREEMENT**

We hereby confirm our commitment to the following Mine Community Projects for calendar years 2018 to 2022 as part of our Social and Labour Plans for the following Mining Right:

- GP 30/5/1/2/09 MR – Doornkop Mine

The following expenditure provisions have been made for the next 5 years:

Project	5 year Expenditure Provisions
Further LED Support - including Swaneville Industrial Park and an Agricultural Project – including but not limited to farming, horticulture, etc	R 8 000 000,00
<b>Total</b>	<b>R 8 000 000,00</b>

Please be advised that the contact person for the above will be George Masha.

Yours Faithfully

G Masha  
Manager: Corporate Social Responsibility  
Harmony

M Msezana  
Executive Manager: Economic  
Development Services  
Mogale City Local Municipality

Directors: PT Motsepe\* (Chairman), JM Motloba\* (Deputy Chairman), PW Steenkamp (Chief Executive), F Abbott (Financial Director), HE Mashego (Executive Director), JA Chissano\*, FFT De Buck\*, KV Dicks\*, Dr DSS Lushaba\*, M Msimang\*, JL Wetton\*, AJ Wilkens\*, KT Nondumo\*, VP Pillay\*, MV Sisulu\*  
*\*Non-Executive; \*Mozambican*

Secretary: Riana Bisschoff

Registration Number: 1950/038232/06



## Agricultural Project – Vegetable Production

### Background Information on the Project

Phakamani Impact Capital, together with Infinity Agri Enterprises has developed an Agricultural Program with the main aim to develop an Emerging Farmer to a fully operational commercial farmer that can participate meaningfully within the agricultural environment. The programme will accommodate 1 farmer on a piece of land with an allocation of 1 hectare of land.

### Objective of the project

Develop emerging farmers to become fully operational commercial farmers.

### Purpose and impact of the project

Meaningful participation of emerging farmers within the agricultural environment

<b>Project Name</b>	Agricultural Project – Vegetable production				
<b>Classification of Project</b>	Agricultural Development				
<b>Purpose</b>	Meaningful participation of emerging farmers within the agricultural environment				
<b>Output</b>					
<b>District Municipality</b>	City of Johannesburg				
<b>Local Municipality</b>	Region C and D				
<b>Town / City / Village</b>	Regions around Doornkop Mine				
<b>Province</b>	Gauteng				
<b>Start and end Date</b>	2018	2019			
<b>Key performance Areas</b>	<ul style="list-style-type: none"> <li>• To produce high quality vegetables</li> <li>• Supply produce to the market</li> <li>• Create, improve and sustain employees involved and community at large</li> <li>• Work in harmony with nature</li> <li>• Create sustainability</li> </ul>				
<b>Key Performance Indicators</b>	<ul style="list-style-type: none"> <li>• Create employment</li> <li>• Develop skills</li> <li>• Poverty alleviation</li> <li>• High quality produce</li> <li>• Profitability</li> <li>• Use farming methods that works</li> <li>• Understand and mitigate risks</li> </ul>				
<b>Responsible Entity</b>	Doornkop Operation				
<b>Total Budget for 5 years ('R) and Comments</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year3</b>	<b>Year 4</b>	<b>Year 5</b>
	2 500 000	400 000			
	<b>Total = R2 900 000</b>				



<b>Project Name</b>	Agricultural Project – Vegetable production			
<b>Classification of Project</b>	Agricultural Development			
<b>Purpose</b>	Meaningful participation of emerging farmers within the agricultural environment			
<b>Classification of Jobs</b>	<b>Number of Jobs (Permanent)</b>	<b>No of Jobs (Temporary)</b>	<b>No of Jobs (Seasonal)</b>	<b>Total No of Jobs</b>
<b>Short Term</b>				
<b>Medium Term</b>				
<b>Long Term</b>	6		40	46
<b>Project Completion</b>				
<b>Beneficiaries – mark with “X”</b>	<b>Municipality</b>	<b>Community</b>	<b>Youth</b>	<b>Female</b>
	X	X	X	X
<b>Exit Strategy</b>	<ul style="list-style-type: none"> <li>Project handover.</li> <li>Continued coaching, mentoring, monitoring and evaluation.</li> </ul>			

### Purified Bottled Water

#### Background Information on the Project

The Doornkop Operation has established a water purification plant to provide its own water for the mining processes. This plant however have excess capacity and Harmony Gold is considering using this excess water for an agriculture and bottled water/ portable water projects and rather than just letting it go to waste.

#### Objective of the project

- Provision of clean drinking water to communities.
- Empowerment of local emerging businesses through enterprise development.

#### Purpose and impact of the project

- To provide communities access to purified drinkable water.

<b>Project Name</b>	Purified Bottled Water		
<b>Classification of Project</b>	Social Development		
<b>Purpose</b>	Provision of purified water to communities		
<b>Geographical Location</b>			
<b>District Municipality</b>	City of Johannesburg Metropolitan Municipality		
<b>Local Municipality</b>	Region C and D		
<b>Town / City / Village</b>	Doornkop Township		
<b>Province</b>	Gauteng		
<b>Start and end Date</b>	2018	2019	
<b>Output</b>			
<b>Key performance Areas</b>	<ul style="list-style-type: none"> <li>Establishment of purified bottled water project for the community SMMEs.</li> </ul>		
<b>Key Performance Indicators</b>	<ul style="list-style-type: none"> <li>Number of jobs created.</li> <li>Number of SMMEs developed.</li> </ul>		
<b>Responsible Entity</b>	Doornkop Operation		



<b>Project Name</b>	Purified Bottled Water				
<b>Classification of Project</b>	Social Development				
<b>Purpose</b>	Provision of purified water to communities				
<b>Total Budget for 5 years ('R) and Comments</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year3</b>	<b>Year 4</b>	<b>Year 5</b>
	R1 000 000				
	<b>Total = R1 000 000</b>				
<b>Classification of Jobs</b>	<b>Number of Jobs (Permanent)</b>	<b>No of Jobs (Temporary)</b>	<b>No of Jobs (Seasonal)</b>	<b>Total No of Jobs</b>	
<b>Short Term</b>					
<b>Medium Term</b>					
<b>Long Term</b>	5			5	
<b>Project Completion</b>					
<b>Beneficiaries – mark with “X”</b>	<b>Municipality</b>	<b>Community</b>	<b>Youth</b>	<b>Female</b>	
	X	X	X	X	
<b>Exit Strategy</b>	<ul style="list-style-type: none"> <li>• Project handover.</li> <li>• Continued coaching, mentoring, monitoring and evaluation.</li> </ul>				

## Industrial Hubs

### Background Information on the Project

The project has been identified by the City of Johannesburg Metropolitan Municipality's Region C and D as an intervention to promote and improve the local economy by providing entrepreneurs with opportunities in the various sectors of our economy and to improve prospects of job creation within the mining communities.

### Objective of the project

- The main objective of the programme is to bring young and upcoming entrepreneurs into the mainstream economy by formalising businesses and incubation through SMME Business Hubs that will entail manufacturing, industrial, automotive and enterprise / agro processing hubs.

### Purpose and impact of the project

- Development of Small, Medium and Micro Enterprises (SMMEs), thus creating employment and fight poverty.





<b>Project Name</b>	Industrial Hubs				
<b>Classification of Project</b>	Economic Development				
<b>Purpose</b>	Development of Small, Medium and Micro Enterprises (SMMEs) thus creating employment and fight poverty.				
<b>Geographical Location</b>					
<b>District Municipality</b>	City of Johannesburg Municipality				
<b>Local Municipality</b>	Region C and D				
<b>Town / City / Village</b>	Six (6) Wards				
<b>Province</b>	Gauteng				
<b>Start and end Date</b>	2018	2022			
<b>Output</b>					
<b>Key performance Areas</b>	<ul style="list-style-type: none"> <li>Set up start-up and micro enterprises with emphasis on youth, women, people living with disabilities.</li> </ul>				
<b>Key Performance Indicators</b>	<ul style="list-style-type: none"> <li>Number of jobs created.</li> <li>Number of SMMEs/ entrepreneurs developed.</li> </ul>				
<b>Responsible Entity</b>	Doornkop Operation				
<b>Total Budget for 5 years ('R) and Comments</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year3</b>	<b>Year 4</b>	<b>Year 5</b>
	R1 300 000	R1 300 000	R1 300 000	R1 300 000	R800 000
	<b>Total = R6 000 000</b>				
<b>Classification of Jobs</b>	<b>Number of Jobs (Permanent)</b>	<b>No of Jobs (Temporary)</b>	<b>No of Jobs (Seasonal)</b>	<b>Total No of Jobs</b>	
<b>Short Term</b>		30		30	
<b>Medium Term</b>					
<b>Long Term</b>	50			50	
<b>Project Completion</b>					
<b>Beneficiaries – mark with “X”</b>	<b>Municipality</b>	<b>Community</b>	<b>Youth</b>	<b>Female</b>	
	X	X	X	X	
<b>Exit Strategy</b>	<ul style="list-style-type: none"> <li>Project handover.</li> <li>Continued coaching, mentoring, monitoring and evaluation.</li> </ul>				

### Further LED Support

#### Purpose

The purpose of further support is to give room to all stakeholders to identify further projects throughout the 5 year period of the SLP.

Any additional projects, will be discussed and agreed upon between Harmony and the Municipality, after which a Memorandum of Agreement will be signed by both parties. A copy of which must be handed in at the Department of Mineral Resources, together with the implementation plans.



<b>Project Name</b>	Further LED Support				
<b>Classification of Project</b>	SMME Development				
<b>Purpose</b>	Empower SMMEs with accommodation to operate from and creating jobs				
<b>Geographical Location</b>					
<b>District Municipality</b>	City of Johannesburg Municipality				
<b>Local Municipality</b>	Region D Municipality				
<b>Town / City / Village</b>	Region D and others				
<b>Province</b>	Gauteng				
<b>Start and end Date</b>	2019	2022			
<b>Output</b>					
<b>Key performance Areas</b>	<ul style="list-style-type: none"> <li>• Create income generation opportunity</li> <li>• Uplifting businesses in the township</li> <li>• Creation of jobs</li> <li>• Develop post mining economy for mining areas</li> <li>• Utilize existing mining infrastructure</li> <li>• Develop buildings and land to be used post mining</li> </ul>				
<b>Key Performance Indicators</b>	<ul style="list-style-type: none"> <li>• Access to funding</li> <li>• Approvals from municipality and regulator</li> <li>• Availability of municipal services</li> </ul>				
<b>Responsible Entity</b>	Doornkop Operation				
<b>In Partnership with:</b>	Local Municipality				
<b>Total Budget for 5 years ('R) and Comments</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year3</b>	<b>Year 4</b>	<b>Year 5</b>
	-	1 500 000	1 500 000	1 000 000	1 271 788
	<b>Total = R5 271 788</b>				
<b>Project Completion</b>					
<b>Beneficiaries – mark with “X”</b>	<b>Municipality</b>	<b>Community</b>	<b>Youth</b>	<b>Female</b>	
	X	X	X	X	

### Further LED Support in Rietvallei

#### Purpose

The purpose of further support is to give room to all stakeholders to identify further projects throughout the 5 year period of the SLP.

Any additional projects, will be discussed and agreed upon between Harmony and the Municipality, after which a Memorandum of Agreement will be signed by both parties. A copy of which must be handed in at the Department of Mineral Resources, together with the implementation plans.



<b>Project Name</b>	Further LED Support in Rietvallei				
<b>Classification of Project</b>	SMME Development				
<b>Purpose</b>	Empower SMMEs with accommodation to operate from and creating jobs				
<b>Geographical Location</b>					
<b>District Municipality</b>	City of Johannesburg Municipality				
<b>Local Municipality</b>	Rietvallei				
<b>Town / City / Village</b>	Townships around Rietvallei				
<b>Province</b>	Gauteng				
<b>Start and end Date</b>	2019	2022			
<b>Output</b>					
<b>Key performance Areas</b>	<ul style="list-style-type: none"> <li>• Create income generation opportunity</li> <li>• Uplifting businesses in the township</li> <li>• Creation of jobs</li> <li>• Develop post mining economy for mining areas</li> <li>• Utilize existing mining infrastructure</li> <li>• Develop buildings and land to be used post mining</li> </ul>				
<b>Key Performance Indicators</b>	<ul style="list-style-type: none"> <li>• Access to funding</li> <li>• Approvals from municipality and regulator</li> <li>• Availability of municipal services</li> </ul>				
<b>Responsible Entity</b>	Doornkop Operation				
<b>In Partnership with:</b>	Local Municipality				
<b>Total Budget for 5 years ('R) and Comments</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year3</b>	<b>Year 4</b>	<b>Year 5</b>
	-	2 000 000	2 000 000	2 000 000	2 000 000
	<b>Total = R8 000 000</b>				
<b>Project Completion</b>					
<b>Beneficiaries – mark with “X”</b>	<b>Municipality</b>	<b>Community</b>	<b>Youth</b>	<b>Female</b>	
	X	X	X	X	

### 3.8 Financial Provision – MCD

<b>FINANCIAL PROVISION - MINE COMMUNITY DEVELOPMENT</b>						
<b>Project</b>	<b>Plan</b>					<b>Total</b>
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	
Agricultural Project - Vegetable Production	2,500,000.00	400,000.00	-	-	-	<b>2,900,000.00</b>
Purified Bottled Water	1,000,000.00	-	-	-	-	<b>1,000,000.00</b>
Industrial Business hub	1,300,000.00	1,300,000.00	1,300,000.00	1,300,000.00	800,000.00	<b>6,000,000.00</b>
Further LED Support	-	1,500,000.00	1,500,000.00	1,000,000.00	1,271,788.00	<b>5,271,788.00</b>
LED Support for Rietvallei	-	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	<b>8,000,000.00</b>
<b>Total Financial Provision</b>	<b>4,800,000.00</b>	<b>5,200,000.00</b>	<b>4,800,000.00</b>	<b>4,300,000.00</b>	<b>4,071,788.00</b>	<b>23,171,788.00</b>



### 3.9 Housing and Living Conditions

#### **Municipality strategy to address housing**

The National Government Strategy to provide decent housing for all revolves around the strategy to develop **sustainable human settlements**, which not only includes housing, but also business, social amenities and schools in a planned and social cohesive manner.

This strategy filters down to the Provincial and Municipal levels where the actual execution of this strategy takes place. To support this strategy Harmony makes available suitable land and in some instances go-develop human settlements with private sector developers.

#### **Strategy and Measures to address housing and living conditions**

All Harmony mines are guided by the **group accommodation policy and strategy**.

- Our strategy is to provide decent accommodation and living options to our employees, by providing a choice of options in residences (hostels), rentals, mine houses, family units and home ownership options;
- We facilitate 'integrated human settlements' on our suitable development land;
- Furthermore we assist local economies, SMME's, schools, organizations and individuals in our communities by providing premises at nominal rentals.

This section of the plan relating to the group policy and strategy are common across all mines.

This Operation is aligned with the Harmony Group Housing and Accommodation Policy and Strategy and commits to improving the living conditions of its employees.

#### **Housing strategy**

Through the encouragement of home ownership, the facilitation of finance opportunities and the incorporation of current mine villages, the mine will enable employees to become the owners of the units in which they reside. This will be done in consultation and co-operation with unions and associations and appropriate regional authorities, municipalities and the legislation (MPRDA and SPLUMA) that guides these activities.

The mine promotes home ownership by:

- Selling their existing houses in proclaimed municipal areas to employees at highly discounted prices, thereby creating new home-owners and immediate equity in the house value;
- Home-ownership assistance in the form of the living out allowances are paid;
- Arrangements for funding with IEMAS credit facilities and the pension backed loan agreements are facilitated to assist employees with funding

The integration of mining communities into the local municipal structures remains a key strategic driver for Harmony and the mine co-fund the process to achieve this aim. We further believe that housing development can produce large job-creation opportunities including leveraging the raw materials (like rock dumps) to produce concrete, road building substrate and bricks, further enhancing economic development and downstream beneficiation.



### Current status of available housing options for employees

“Human dignity and privacy for mineworkers are the hallmarks to enhance productivity and expedite transformation in the mining industry in terms of housing and living conditions”.

In this regard Harmony mines have implemented measures to improve the standards of housing and living conditions for their employees by offering a variety of housing options to their employees:

- Harmony maintains the **1818** company owned residential units through a structured maintenance model;
- The residences house **6818** employees in newly renovated single room accommodation units;
- Living out allowances are paid to **15 606** employees that don't reside in mine accommodation;
- Housing assistance allowances are paid to **2305** employees;

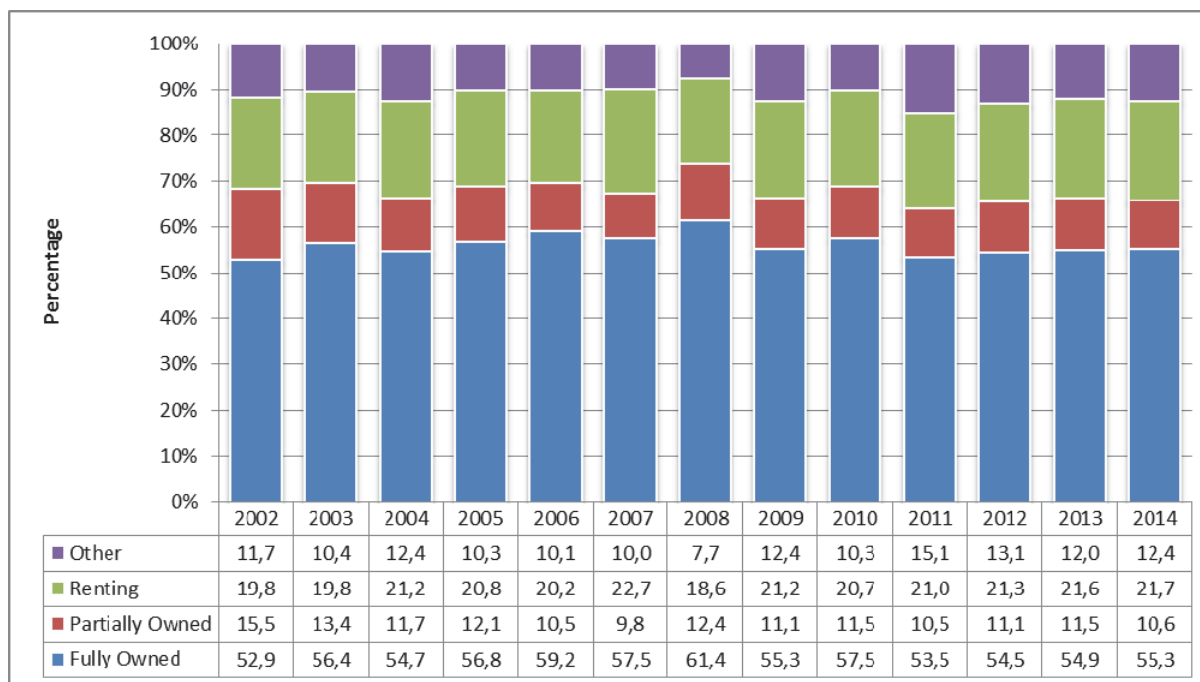
The mine has also established accommodation forums both centrally and at operational level, in order to consult with employee representatives in the development of policies and plans relating to housing and living conditions. Hostel Residents' Committees with full-time members who represent the interests of the employees in the management of the residences have been elected.

### Current status of houses within the community

The latest General Housing Survey 2014 from Statistics South Africa describes the current housing types and ownership as follows:

The characteristics of the dwellings in which households live and their access to various services and facilities provide an important indication of the well-being of household members. It is widely recognised that shelter satisfies a basic human need for physical security and comfort.

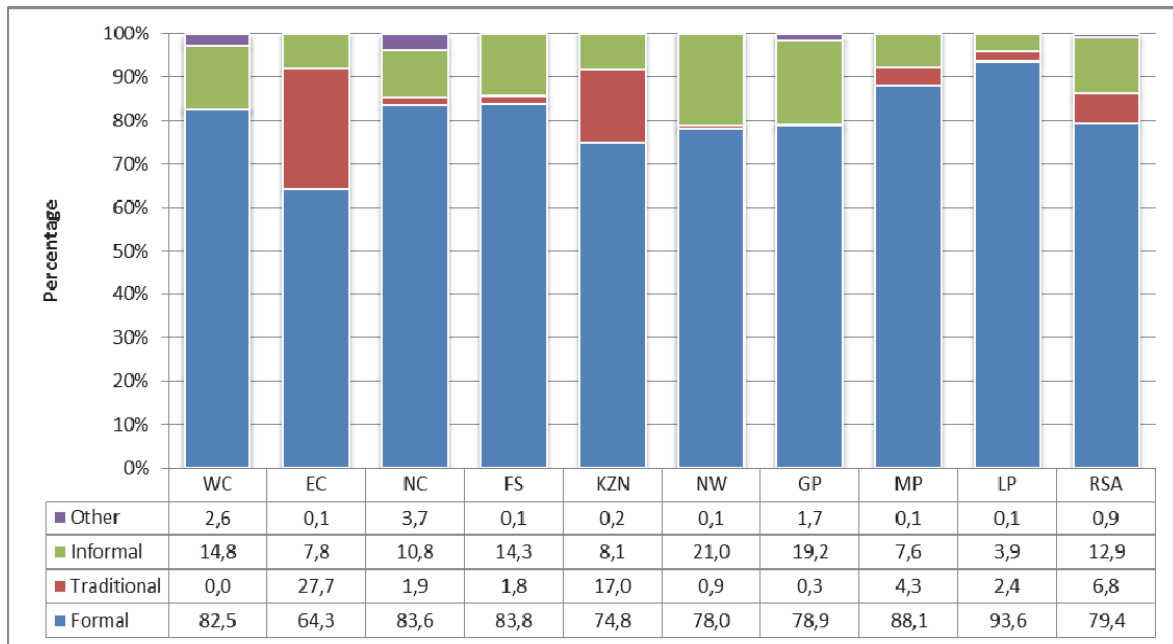
*The table below shows the percentage of households according to their tenure status.*





The percentage of households that fully owned the dwellings they inhabited increased slightly from 52,9% in 2002 to 61,4% in 2008, before declining to 55,3% in 2014. This increase was accompanied by a decrease of about five percentage points for households that partially owned their houses, and a slight increase in the percentage of households that rented accommodation. Households that maintained 'other' tenure arrangements increased from 11.7% in 2002 to 12.4% in 2014. (Statistics South Africa P0318 General Household Survey, 2014)

The table below shows the percentage of households that lived in formal, informal and traditional dwellings by province 2014



Between 2002 and 2014, the percentage of households that lived in formal dwellings increased slightly from 73.7% to 79.4% while households that lived in informal dwellings decreased by 0.3 percentage points to 12.9%. The percentage of households that lived in traditional dwellings declined by 3.4 percentage points over this period.

### House and Living Condition Projects which the Operation will embark on:

#### Mega Housing Project / Industrialist Program

#### Background Information on the Project:

- Regulation 46(c)(iii) Infrastructure and poverty eradication.
- Regulation 46(c)(iv) Facilitate home-ownership of employees and mining communities.
- The Doornkop mine is supporting three land development projects:
  - Donation of land for the building of 1232 houses on Mohlakeng Ext 13 and 14. The land value of this donation made to the Gauteng Province is R7 200 000;
  - Harmony Doornkop employees are receiving 100 houses in this development;
  - Rand West Mega Project;
  - Rand West Industrialization project;
  - Selling of mine houses to employees at reduced rates.



**Objective of the projects:**

- To alleviate the housing shortage and to provide affordable housing opportunities within the greater Gauteng West Rand area;
- Urban planning and municipal integration of non-urban areas;
- Address the need for Urbanization and Industrialization
- Facilitate home-ownership for our employees.

**Purpose and impact of the project:**

- A substantial housing shortage is experienced in this municipal area. The purpose of this project is to assist in the alleviation of such shortage by providing access to scarce land resources as well as fund the legal process to establish this town extension.
- Provide land for the larger Gauteng South Industrial Zone.

<b>Project Name</b>	<b>Mega Housing Project/ Industrialist Program</b>				
<b>Classification of Project</b>	<b>Regulation 46(c)(iii): Infrastructure and poverty eradication projects in the local and labour-sending areas</b> <b>Home ownership facilitation</b>				
<b>Purpose</b>	<b>Gauteng Infrastructure Fund / Regional Industrial Hub</b>				
<b>Geographical Location</b>					
<b>District Municipality</b>	Rand West and City of Johannesburg				
<b>Local Municipality</b>	Rand West and City of Johannesburg				
<b>Town / City / Village</b>	Johannesburg				
<b>Province</b>	Gauteng				
<b>Start and end Date</b>	2018	2020			
<b>Output</b>					
<b>Key performance Areas</b>	Development of Industrial capacity and new industry/ Mega Housing Project				
<b>Key Performance Indicators</b>	Establishment of a new Industrial Township as part of the Gauteng West Industrial Corridor (Phase 1). Provide land for the West Rand Mega Project.				
<b>Responsible Entity</b>	Doornkop Mine				
<b>Total Budget for 5 years ('R) and Comments</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year3</b>	<b>Year 4</b>	<b>Year 5</b>
	300 000	300 000	400 000		
	<b>Total = R1 000 000</b>				
<b>Project Completion</b>					
<b>Beneficiaries – mark with “X”</b>	<b>Municipality</b>	<b>Community</b>	<b>Youth</b>	<b>Female</b>	
	X	X	X	X	
<b>Exit Strategy</b>	Township services will be taken over by the municipality and the industrial sites sold to new Industrialists. Value chain will be established by supplying mines and motor industry. Linking up with the planned new container depot planned for south of Soweto. Houses will be occupied by beneficiaries.				

**Workforce preferred requirements for housing and living conditions**

During 2014 Harmony conducted a living conditions statistical study amongst employees. In this study it became clear that 36.8% of employees would like some kind of upgraded accommodation close to the mines



and that they are satisfied with the upgraded single rooms, as well as the nutrition provided. Currently 51% own their houses and 49% rent units either RDP houses or back yard flats. The 36.8% of employees' who want to live closer to the mine, indicates saving on travel costs, crime rates and better conditions as some of the reasons.

Harmony made great strides with upgrading of redundant hostels and two such projects delivered more than 950 high quality rental units. These rental units have been developed by the mine and handed over to the municipality for management. Mine employees and the general community live in these complexes. Harmony continues to work with the local and provincial authorities to deliver on local and regional housing initiatives.

The Operation is striving to comply with the normalization of living conditions and the strategy to eliminate single sex accommodation. Due to the limited life span of the mines, the creation of un-sustainable 'mine based accommodation' and the conversion of the Operation residence into family units are not supported. The objective is to create family units within the existing municipal controlled towns, where the supply of services and social amenities like schools, shops and business opportunities remain sustainable. This Operation will co-fund this strategy to develop family units and home-ownership options in the closest surrounding municipal towns.

Number of Family Units					
Year	Year 1	Year 2	Year 3	Year 4	Year 5
Number of family units	15	15	15	20	20

### Hostel upgrade

The Mining Charter requires that all hostel residences be converted to single room accommodation by 2014. All the operational Harmony mines' residences complied with this condition and a total of R211m was spent on these upgrades by the end of 2014.

The Operations remain compliant with one employee per room.

Hostel Residents' Committees with full-time members who represent the interests of the employees in the management of the residences have been elected.

### 3.10 Financial Provision – House and living Conditions

FINANCIAL PROVISION - HOUSE AND LIVING CONDITIONS						
Project	Plan					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
Mega Housing	300,000.00	300,000.00	300,000.00	-	-	900,000.00
Family Units	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	5,000,000.00
Township Establishment	300,000.00	300,000.00	-	-	-	600,000.00
<b>Total Financial Provision</b>	<b>1,600,000.00</b>	<b>1,600,000.00</b>	<b>1,300,000.00</b>	<b>1,000,000.00</b>	<b>1,000,000.00</b>	<b>6,500,000.00</b>





### 3.11 Nutrition

#### Measures to address nutrition

This section of the SLP will address the following:

- Nutrition management
- Supplier procurement

#### Nutrition Management

Approximately 7914 of Harmony's employees are housed in 08 hostels. Meals are provided to resident employees, widows and visiting wife's at some of the hostels.

A dietary analysis of the current menu indicates that it adequately caters for the energy and nutritional requirements of mineworkers, based on Dietary Reference Intake (DRI) guidelines as defined by the Institute of Medicine, Food and Nutrition Board, USA and studies done by the Chamber of Mines Research Organisation (COMRO, 1991) into the nutritional requirements for underground mine workers performing moderate to hard work.

- DRI is the collective name that refers to a set of at least four nutrient-based reference values
- The estimated average requirement (EAR) nutrient intake is the value that is estimated to meet the nutrient requirements in 50% of the individuals in a given life-stage and gender group.
- The recommended daily allowance (RDA) is the daily dietary intake level that is sufficient to meet the nutrient requirements of 97 to 98% of individuals in a given life-stage and gender group.
- Adequate intake (AI) in the case where the scientific evidence is inadequate to set the EAR, is used instead of an RDA.
- Tolerable upper intake (TUI) is the highest level of nutrient intake that is considered unlikely to pose any risk of adverse health effects to almost all individuals in the general population.
- Acceptable macro nutrient distribution range (AMDR) is defined as a range of intake for a particular energy source that is associated with reduced risk of chronic disease while providing adequate intakes of essential nutrients.

#### Additional Information

Where South African information on Industrial Feeding is not available, international best practices are used.

- **Energy Requirement**

The diet plan is drawn up using the COMRO reference report 91/11 as basis to establish the energy requirement of workers. (Ref. Guideline for the Compilation of a Mandatory Code of Practice for an Occupational Health Programme On Thermal Stress: R146, 2016; MHSA, Act 29 of 1996)

- **Macro-nutrient requirement**

The macro-nutrient requirements are established using Dietary Reference Intakes (DRI's), which is a collective term and refers to a set of a least four nutrient based values.

This represent a shift from "avoiding deficiency states" as determined by clinical manifestation and status to "maximising health and promoting quality of life"

This is part of the report on Dietary Reference intakes for energy, carbohydrate, fibre, fat, fatty acids, cholesterol, protein, and amino acids (2002) by the Food and Nutrition Board of the United States Nutrition Board of the Institute of Medicine, National Academy of Sciences, Washington, USA:

- i. Acceptable Macro-nutrient distribution range (AMDR)



- ii. An AMDR is defined as a range of intake for a particular energy source that is associated with reduced risk of chronic disease while providing adequate intakes of essential nutrients.
- iii. The acceptable ranges are as follows:
  - Carbohydrate 45-65%
  - Protein 10-35%
  - Fat 20-35%

- **Micro-Nutrient Requirement**

The DRI is used as reference for all micro-nutrients except Vitamin C, where a South African reference exists.

There are three micro-nutrients, which are directly influenced by the industry.

- Vitamin C:

It is required for normal body temperature regulation and assist with the body's ability to adjust to underground environmental conditions. The recommendation as per the Mining Industry is 250mg per person per day.

- Vitamin A:

It is required for normal dark adaptation time. There are no industry specific requirements and the DRI is used as a reference. (900 micrograms per day)

- Vitamin D:

The intake of vitamin D is affected, as the primary source of Vitamin D is from the photochemical action of ultraviolet sunlight on the 7-dehydroxycholesterol produced in the skin. Because of the limited exposure to sunlight, it is necessary to ensure adequate Vitamin D intake. It was however not possible to assess the menu content as the database is limited in its Vitamin D information. This is a problem with most of the data bases used for nutritional analysis.

Vitamin enriched food products are considered when food only, does not meet with the requirements. Mageu is one of these foods products and is enriched with 200mg Vitamin C per 1000ml and 150mg Calcium per 1000ml.

- **Macro-nutrient as % energy:**

- Carbohydrate 45 – 65% of total energy
- Protein 10 – 35% of total energy
- Fat 20 – 35% of total energy

## **Nutrition plan**

The nutrition plan refers to the list of food groups incorporated in each meal as opposed to a menu, which is a list of specific dishes served at each meal.

In order to ensure that balanced meals are served, the number of meals, as well as the food groups to be served at each meal is taken into consideration.

## **Number of meals**

Although traditionally only a pre-shift or a breakfast and a post shift or main meal was served in the hostel kitchens, a third meal has been introduced. A mid-shift meal or 'lunch pack' is also available to the workers at the majority of hostels.

Three meals are served to resident employees. Breakfast supplies approximately 25-30% of the daily nutritional



requirement; main meal approximately 40-45% and supper 20-25%

### South African Food based Dietary Guidelines (revised 2012)

- Enjoy a variety of foods.
- Be active!
- Make starchy foods part of most meals.
- Eat plenty of vegetables and fruit every day.
- Eat dry beans, split peas, lentils and soya regularly.
- Have milk, amasi or yoghurt every day.
- Fish, chicken, lean meat or eggs can be eaten daily.
- Drink lots of clean, safe water.
- Use fats sparingly. Choose vegetable oils, rather than hard fats.
- Use sugar and foods and drinks high in sugar sparingly.
- Use salt and food high in salt sparingly.

### Quality management system

Quarterly audits will be carried out in co-operation with the catering manager and registered dietician on the standard of facilities and hygiene, as well as an analysis of the menu in terms of compliance to nutritional guidelines for the mining industry (COMRO Report) and further guidelines as amended from time to time.

*The nutrition plan measure the following dimensions on a quarterly basis:*

Menu	Minimum guideline	Source
Energy (kJ)	13 000kJ	DRI and COMRO report
Carbohydrate (g)	440g (57%)	AMDR
Protein (g)	135g (18%)	AMDR
Fat (g)	85g (25%)	AMDR
Vitamin C (mg)	250mg	SA Mining Guideline
Vitamin A (IU)	1 000IU	DRI
Calcium (mg)	1 000mg	DRI
<b>Participation</b>		
Meal participation (breakfast)	90%	Dietary guideline
<b>Facility audit</b>		
Buildings/storage	80%	Management requirement
Personal hygiene	80%	Management requirement
Quality of raw food	80%	Management requirement
Quality of cooked food	80%	Management requirement

Findings will be recorded to monitor the progress of this issue over time. Regular food services audits are conducted by mine officials, together with union or association representatives, to establish and maintain high standards in catering facilities.



In order to ensure customer preference, meetings are held with worker representative structures with the aim of including their proposals in the menu. Records of these discussions are used to improve nutrition on an ongoing basis. Random customer satisfaction surveys are also carried out on a quarterly basis to determine service levels and to identify problem areas.

### Dietary plan

As a *guideline* the following diet plan is used to establish meal frequency as well as portion sizes. (All portions are quoted in raw quantities)

Work Category	Moderate Light Work	Moderate Work	Moderate Hard Work	Hard Work
Energy expenditure	12000kJ	13000kJ	14000kJ	15000kJ
Examples of workers	Electrician Mine Overseer Loco Crew	Equipping team Team Leader Stope Team Miner Assistant Cleaning team	Loader Driver Winch Driver	Driller Drill Assistant
<b>Breakfast</b>				
Cereal	90g	90g	90g	90g
Bread	220g	220g	220g	220g
Spread	20g	20g	20g	20g
Protein	60g	60g	120g	120g
Beverage	300ml	300ml	300ml	300ml
<b>Main Meal</b>				
Protein	180g	210g	270g	270g
Gravy / Soup	10g / 100ml	10g / 100ml	15g / 150ml	15g / 150ml
Starch	60g	90g	90g	90g
Maize meal	150g	150g	150g	150g
Vegetable 1	150g	150g	150g	150g
Vegetable 2	(green / yellow)	(green / yellow)	(green / yellow)	(green / yellow)
Fruit	100g	130g	130g	130g
Juice	250ml	250ml	250ml	250ml
Dessert				
Mageu	500ml	500ml	1000ml	1000ml



Work Category	Moderate Light Work	Moderate Work	Moderate Hard Work	Hard Work
<b>Supper</b>				
Protein	60g	60g	120g	150g
Milk	250ml	250ml	250ml	250ml
Gravy / Soup	10g / 100ml	10g / 100ml	10g / 100ml	10g / 100ml
Maize meal	60g	90g	120g	120g
Bread			30g	60g
Vegetable	100g other	100g	100g	100g
Beverage	300ml	300ml	300ml	300ml

### Menu

Daily Allowance (Meal plan) - All quantities are quoted as raw or uncooked product portions:

<b>Breakfast</b>	
Breakfast Cereal	90g
Bread	210 – 240g (6 slices)
Spread	25g
Protein	100g
Beverage Pack	300 ml (includes sugar and creamer)
Sugar	20g
Condiments	5g
<b>Main Meal – A daily choice between beef and chicken and for five (5)days, a processed product is offered</b>	
Protein	300g (beef 300g, Chicken 300g, processed products 200g)
Maize meal	120g
Starch	90g – a daily choice between Samp, Samp and Beans, rice or maize rice is offered
Vegetables	200g
Fruit	130g
Salad	60g (4 times per week)
Fruit Salad	150g (once per week instead of fruit)
Jelly & Custard	40g (once per week)
Mageu	500ml
Juice	200ml (once in 2 weeks)
Cold Drink	30g (Powdered drink)
Condiments	15g
Oil	10ml



Supper	
Protein	100g
Mild / Amazi	300ml (twice per week) A choice between Amazi or Yoghurt
Salad	40g (Four times per week)
Pap or Starch	40g
Condiments	5g

**Approximate Nutritional Value of the Meal Plan (\* Includes enriched quantities)**

Energy	kJ	14 700	
Protein	g	178	21%
Carbohydrate	g	446	51%
Fat	g	112	29%
Vitamin A	µg	960	
Vitamin C	mg	240	
Calcium*	mg	1250	
Iron	mg	20	

**Suggested but not limited menu options:**

Breakfast	
Cereal	Mealimeal, Brown lambalazi, White lambalazi, Mabele
Protein	Boiled egg, Viennas, Pasta, Mince, Wors, Giblets, Chicken stew, Spaghetti bolognaise, Gizzards & necks, Meatballs, Ox tripe, Steak and onion stew / amasi / yoghurt
Powdered drink	Assorted Flavours
Main Meal	
Protein	<ul style="list-style-type: none"> <li>Chicken is the main protein served every day</li> <li>A choice of beef and chicken stew is served as a second option different cooking methods should be applied: stewing; braising; grilling; frying.</li> <li>Processed products: can be served as an alternative or third option and includes Fish / tripe / mince / wors / pork chops</li> </ul>
Porridge	Maize meal
Starch	Rice, Samp, Samp and beans, Beans, Mazebe mix
Vegetables	A variety of vegetable in season – use different cooking methods
Salad	Carrot, Beetroot, Coleslaw
Fruit	A variety in season
Mageu	Banana and cream



Dinner	
Protein	Wors, Mince, Ox liver, chicken stew, Beef stew, Bean soup, Ox tripe
Porridge	Maize meal
Diary	Amasi, Yoghurt

**Note:** Any additions to the above mentioned lists should go through proper consultation and it should also be cost effective. Items should be added in the correct group. (I.e. an item in the “protein group” cannot be substituted for an item in the “vegetable group”)

### Supplier procurement

Procurement has a most important role to play within the hostel landscape of Harmony. To contract food suppliers that are BEE compliant and are also able to supply goods on a large scale remains a challenge. This constraint is the challenge that Harmony constantly address through the procurement progression plan.

Currently there are 13 main suppliers for both the Free State and Doornkop hostels. Of these 13 suppliers, eight suppliers (62%) are BEE compliant and five suppliers (38%) are non-compliant. The strategy is aligned to be 80% BEE compliant within the next two years.

*Below is the action plan to ensure that the suppliers to the hostel are BEE compliant:*

Supplier	Commodity	% Black ownership	Corrective plan
Back to basics	Spices	26	Market to be tested for alternative BEE Suppliers.
Bambanani fruit and veg	Fruit & vegetables	26	100% BEE suppliers (Bereng & Practicon)
Dela Casa (Lindsay Butchery)	Red meat	26	100% BEE - Ramathe
Tiger Consumable Brands (King Foods)	Lambalazi & Morvite	28	Market to be tested for alternative BEE Suppliers.
SMT Farm Trading	Tripe	100	100% - Ramathe
Thabong Bakery	Sandwich packs	100	Still supplying sandwich packs
Ukwanda Farm (Greenlands)	Eggs	100	51% - New Day Poultry
Ramathe Meat Market	Red meat	100	BEE supplier
Mageu Number One	Mageu	0	Tender adjudication in progress
Dewfresh	Milk & fruit juice	0	An alternate compliant supplier is being pursued, struggling to get the 250ml in the market for milk.
Summit Ridge (Henwil Chickens)	MCP chickens	0	Business Enterprise has identified and busy developing a 100% supplier but is not ready to supply as yet.
Premier Food (Blue Ribbon)	Bread	2.04	The previous BEE-entity supplier that provided bread to the required quantities was Albany (27.8% black



Supplier	Commodity	% Black ownership	Corrective plan
			owned), but the unions demanded that they be replaced with Blue Ribbon, given the quality of the product. Discussions are ongoing
Autumn Star (Vitalec)	Groceries	8	After engagement with Harmony, they have committed to convert to the necessary black ownership and have six months within which to comply





### 3.12 Procurement Progression Plan

#### Introduction

Harmony believes that procurement plays a pivotal role in the transformation of the South African economic landscape and this element of its Social and Labour Plan engages all of Harmony's supply chain tools and competence to sustainably create business opportunities to fuel the broader national development engine during and beyond the required five year period, starting as close to our operations as possible, in order to sustain our mining communities

The objective of this plan is to highlight Harmony's commitment in increasing the money spent on the procurement of goods and services from BEE entities in our local communities where possible and financially viable, over a further period of five years. The sustainability of SMME businesses entails more than just the creation of purchase opportunities and also incorporates related elements of enterprise development initiatives, and community engagements on matters pertaining local procurement

#### Preferential Procurement

Harmony has developed a preferential procurement plan to ensure that it delivers beyond the Social and Labour Plan commitments. The Preferential Procurement plan is incorporated in Harmony's Procurement Policy and Procedure and it is fully aligned to Harmony's preferential procurement strategic pillar to ensure sustainable mining communities.

#### Current status of Harmony Mines against revised mining charter targets

Harmony is using the following questions to measure its commitment against the revised mining charter targets:

- **Has the company given HDSAs preferred supplier status?**

Harmony has given HDSAs preferred supplier status as is evident in the following activities that were initiated specifically for this purpose:

- Harmony has allocated a resource dedicated to the management and maintenance of suppliers BEE status and certification
- Harmony has adopted a special payment term that ensures HDSA owned SMME's are paid on a seven day payment term to ensure their financial sustainability and cash flow.
- Harmony has decided to shorten most contract duration to increase the frequency of its tenders to allow for more new entrants to partake in its tenders. Harmony does not support any "evergreen" contracts
- Harmony made a decision to advertise tenders on the Harmony website and Harmony procurement Portal, this is done to allow BEE compliant suppliers to gain access to Harmony's procurement opportunities on an open and equal tender basis.
- Targets have been set for minimum procurement spend on BEE compliant suppliers for each of Harmony's operations in line with the current mining charter targets.
- Harmony liaises with HDSA enterprises through Harmony's Supplier Days initiative to identify issues and problems that small suppliers experience in dealing with Harmony and collectively find solutions for the elimination of obstacles.



- **Has the company identified the current level of procurement from HDSA companies in terms of capital goods, consumables and services?**

Harmony's procurement department will continuously be measured on BEE procurement spent performance, and is being managed and monitored to the same extent as Harmony's other financial indicators, and is currently reported to the Harmony Board in the form of a dedicated Social and Ethics committee that monitors BEE procurement performance on a quarterly basis. The BEE spent is analysed in terms of capital, consumable and service expenditure and the report is supported by graphs that indicate:

- BEE spend per mining right as a percentage of total discretionary spend;
  - BEE procurement spend per province;
- **Has the company indicated a commitment to a progression of procurement from HDSA companies over a three- to five-year timeframe in terms of capital goods, consumables and services, and to what extent has the commitment been implemented?**

Harmony has firm targets for BEE-entity spent, in accordance with the revised Mining Charter scorecard. Targets are set for capital goods, consumables and service expenditure, and performance against these targets are measured and reported quarterly.

The procurement BEE-entity spent targets for the period 2018 to 2022 are based on the Mining Charter requirements and are as follows:

PROCUREMENT SPENT					
<i>Procure locally manufactured goods / consumables / services from BEE compliant manufacturing companies</i>					
Description	Year 1	Year 2	Year 3	Year 4	Year 5
Procurement of capital goods	50%	50%	50%	50%	50%
Procurement of services	70%	70%	70%	70%	70%
Procurement of consumables	60%	60%	60%	60%	60%
Multi National Suppliers	0.5%	0.5%	0.5%	0.5%	0.5%

## Enterprise and Supplier development

### Introduction

Harmony takes its Enterprise and Supplier Development obligation very seriously. The Development will collaborate closely with Supply Chain to ensure increased local HDSA and BEE spend throughout Harmony's South African operations.

As part of Harmony's social responsibility to the communities, Harmony has committed itself to sustainable local economic development in and around the communities where they mine. The Local Economic Development Department within Harmony is an important contributor towards enterprise development and makes as far as possible use of local BEE and HDSA companies in the implementation of projects meant for the benefit and socio-economic development of the mine community.



The Department continues to have input into the internal strategic committees (i.e. Harmony Tender Committee, Procurement Awards Committee and the Vendor Committee). Enterprise and Supplier Development Department ensures that the transformation agenda is understood in all those committees when decisions are taken.

### **Business Development Centres (BDCs)**

In support of the SLP commitments made, Harmony has decided to open Enterprise Development centres in three areas and the rationale for running these centres are as follows:

- The centres contribute to Harmony's desire for good corporate citizenship
- Harmony wants to be acknowledged as a socially responsible organisation that cares for the communities where it operates
- The communities around Harmony's operations must experience Harmony as a valuable benefactor to their well-being
- The centres must contribute to the development of a sustainable supplier base to Harmony
- Building the capacity and ability of emerging BEE companies

The appointment of bridging finance companies Phakamani Impact Capital and Tsys initiative, which for branding purpose will be called Harmony / Leano, will facilitate the financing of emerging local business in order to facilitate growth and sustainability. The main objective is to fund businesses that will enable job creation, poverty alleviation and the overall community empowerment.

### **Purpose**

The Enterprise development centres' aim is to make Harmony more accessible for small local black owned companies. The Enterprise development centre targets five distinct groups:

- Historically disadvantaged (HDSA) suppliers – specifically 51% black owned businesses
- Small, medium and micro enterprises (SMMEs)
- Local businesses
- New entrants
- Youth and women owned businesses

The centres are one-stop business facilities that provide a friendly environment through which the local existing and emerging small entrepreneurs can access information about procurement opportunities in Harmony. The centre's information hub is a good source for business opportunities available in Harmony. The professional staff at the centre will assist suppliers and guide them through the tender submission and vendor application processes.

### **Harmony, through the Business Development Centres, aims to:**

- Develop HDSA enterprises
- Facilitate access to procurement opportunities
- Give access to bridging finance
- Grow a sustainable HDSA suppliers base
- Diversify the HDSA supplier base
- Create suppliers that can meet Harmony procurement needs
- Match HDSA companies with entrenched suppliers



- Reduce small businesses' dependence on Harmony's existence by assisting companies to create alternative markets
- Collaborate with external stakeholders
- Communicate effectively with HDSA suppliers

### **Location of the Business Development Centres**

The Enterprise development centres are positioned to be close to Harmony's main activity areas and situated central to the area it serves. The centres are easily accessible to the general public. Given the local municipality participation in this initiative, the proximity of municipal offices was also considered in determining the centre's location.

The centres will be situated at each of the following areas:

- Welkom Arm1, business centre
- Soweto(Region D, Municipal Building)
- Khutsong Business centre-(Carletonville) awaiting Municipality LED Department approval, the Khutsong community is still being assisted through the Soweto centre
- Kalgold – a satellite office has been set up

### **Services provided by the Business Development Centres**

The centres offer a wide range of services, all aimed at empowering HDSA suppliers to successfully transact with Harmony. Given the scope of services, all will not be available initially, but will ramp-up as the centres develop:

Immediate services:

- Keeping a database of local HDSA skills
- Keeping track of job/purchase opportunities available in Harmony
- Matching opportunities with available skills
- Alert suppliers and invite them to quote
- Assist with tender and vendor processes
- Provide reasons why bids were unsuccessful
- Skills development programmes
- Business incubation programmes, Memorandum of Understanding signed with SAMTI (SEDA Agricultural Mining Tooling Incubator)
- Business workshops facilitated with Phakamani and Tsys (Harmony/Leano initiative)
- Facilitating of bridging finance, Phakamani and Tsys (Harmony/Leano initiative)
- Facilitate joint ventures, where opportunities arise, in collaboration with procurement
- Temporary office facilities such as internet, printing & faxing
- Mentorship, facilitated with traditional suppliers



### Stake holders involved

The Enterprise Development Centre are established by Harmony, but partners will be sought to co-own and co-manage the centre, a more collaborative effort with all strategic and enabling stakeholders in Development will always be sought.

These stake holders will consist of:

- Harmony SA Operations
- Local municipalities and local communities
- Department of Mineral Resources (DMR)
- Department of Small business
- SAMTI (SEDA Agricultural Mining Tooling Incubator)
- Small Enterprise Development Agency(SEDA)
- Small Enterprise Finance Agency (SEFA)
- National Empowerment Fund (NEF)
- Industrial Development Corporation (IDC)
- Department of Trade and Industry (DTI)
- Other participating financial institutions
- Other mining houses operating in the same areas as Harmony
- Chamber of Mines

### Financial Provision – Phakamani ESD Fund

FINANCIAL PROVISION - ESD						
	Plan					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
SMME Development - Phakamani	400,000.00	400,000.00	400,000.00	400,000.00	400,000.00	2,000,000.00
<b>Total Financial Provision</b>	<b>400,000.00</b>	<b>400,000.00</b>	<b>400,000.00</b>	<b>400,000.00</b>	<b>400,000.00</b>	<b>2,000,000.00</b>



## Section 4: Process for the management of downscaling and retrenchment at Operation

*As per Regulation 46(d): Processes pertaining to the management of downscaling and retrenchment*

- *Regulation 46(d)(i): The establishment of the future forum*
- *Regulation 46(d)(ii): Mechanisms to save jobs and avoid job losses and a decline in employment*
- *Regulation 46(d)(iii): Mechanisms to provide alternative solutions and procedures for creating job security where job losses cannot be avoided*
- *Regulation 46(d)(iv): Mechanisms to ameliorate the social and economic impact on individuals, regions and economies where retrenchment or closure of the mine is certain*

### 4.1 Establishment of a future forum

The Operation's future forum is operational, and is comprised of representatives from mine management and unions or associations branch committee members. This forum was set up to deal with issues of productivity improvement, minimising job losses and limiting the impact of downscaling and retrenchments where these cannot be avoided.

Mindful that the forums experience challenges of inefficiencies and continuity (due to continuous change of representation). Harmony continues to conduct annual audits on the functioning of the future forums annually. Steps are always taken to address these challenges, for example reviving the forums and improving their efficiencies. The corporate social responsibility (CSR) manager has also been tasked to ensure sustainability in all the futures.

Members of future forums are on a continuous basis, inducted or capacitated based on the following:

- Social plan,
- Department of Labour's national social plan policy,
- Harmony's social plan framework,
- Social and labour plan regulation, and their functions.

The aims and objectives of the forum are as follows:

- Implementing early warning systems regarding changes to the existing life of mine
- Discussing strategic plans to avoid or minimise retrenchments and job losses and to promote sustainability and growth within the mine
- Analysing monthly or quarterly performance by assessing operating and management reports
- Developing early warning systems for the mine
- Timeously analysing problems or operational issues
- Assisting in developing turnaround and or redeployment or other appropriate strategies to avoid or minimise job losses whilst promoting business competitiveness and viability
- Assisting in developing measures to avoid or minimise job losses and retrenchments taking account of the viability and operational requirements of each mine and make recommendations to the specific shaft management team
- Co-ordinating and implementing approved solutions in a planned way



The forum is consensus driven and it operates in a completely transparent environment. Parties to the forum work together to improve the mine's performance and job security. The culture and approach of the forums is one of joint problem solving, with management and organised labour negotiating to prolong the life of the mine and get the best possible return for all stakeholders from the ore body. All necessary information is placed at the disposal of the forums to ensure they make fully informed decisions. They do not deal with collective bargaining issues as these tend to be adversarial in nature.

### **Functions of the future forum, as required by the law**

To notify the Minister of Mineral Resources on any matter concerning the social and economic impacts of the mining operation throughout the life of the mine and within the operation, especially when major retrenchments are anticipated.

Liaising with the social plan directorate of the DMR and other stakeholders with regard to social plan issues includes:

- Ensuring that appropriate early warning systems are established in advance and the results made available to the members of future forums on a regular monthly basis
- Advising the mine on any matter concerning the social and economic impacts of the mining operation and specifically the setting and achievement of objectives and priorities in this regard
- Using the appropriate methods of monitoring compliance to the achievement of such objectives and priorities
- Conducting audits, studies or surveys on the needs of all employees, which will allow them to indicate the kind of skills they require for training
- Creating awareness amongst employees of the contents of the social plan within each mine
- Identifying suitable service providers for training as per the employees' needs analysis

After due internal processes, drawing the attention of the Board to any relevant social and economic mining related matter, which requires attention. The Board may refer matters for consideration by the forum.

### **Social plan framework agreement and the social plan fund**

In order to facilitate the functioning of the future forums and the development of alternative skills to the employees and or their proxies, a social plan framework agreement was signed by the Harmony group with organised labour on 19 March 2003.

In addition, and following on from the agreement, the company established a social plan fund in July 2003 with a board of trustees appointed to manage the fund. An amount of R15 million was initially placed in the fund and a further R3.5 million will be deposited into the trust fund on an annual basis for a period of 10 years. At time of compiling this report, the fund's cash balance was estimated at R39 million. The trustees of the fund are drawn from representatives of management and labour.

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

As discussed, the primary method by which The Operation intends to avoid retrenchments is by providing other employment opportunities.



## JOBS SAVING AND RETENTION

**Type of project:** Re-deployment of The Operation's employees

**Objectives:**

To save and retain jobs and create more job opportunities

**Beneficial change:**

- Saving jobs
- Retention of jobs
- Extension of life of mine
- Creation of more jobs opportunities

**Beneficiaries:**

The Operation's employees

**Implementation plan:**

Proactively monitor the current LOM plan on an ongoing basis, and will make regular recommendations aimed at helping to lengthen the LOM.

The recommendations will include the following measures:

- Exploring synergies and trade-offs between mines
- Mining of low grade areas
- Reduction of costs
- Exploration of new technology in mining for longer term sustainable mines
- Conducting strategic assessment and set performance goals to reduce high costs
- Growth and acquisition objectives of Harmony as a whole
- Redeployment within the group
- Managing/cessation/stopping recruitment of new employees
- Voluntary/compulsory early retirement
- Voluntary severance packages
- Termination of services of temporary and contract labour
- Employment in other companies outside the company
- Adjustment to working arrangements
- Portable skills training

However, in the event that it becomes impossible to avoid downscaling, despite the efforts of the management and the work of the future forums, the future forum will be tasked with finding alternatives to retrenchment and the loss of jobs. This process has been well established in South African labour relations practices and is comprehensively set out in sections 189 and 189A of the Labour Relations Act (LRA). The provisions of the Act allow the representatives of affected employees the opportunity to examine the reasons for the proposed downscaling and to present and consider alternatives to job losses, as well as to propose measures to mitigate the effects of the loss of jobs on employees and communities.

The future forum is tasked with ensuring that retrenchments are avoided wherever possible, but where they cannot be avoided, it is the future forum's task to ensure that the retrenchments take place in an orderly manner. Every effort is being made to reduce the negative consequences on employees and affected





communities.

Set out below is a range of possible courses of action to achieve these objectives which the company plans to implement at the mine should downscaling and retrenchments become unavoidable. The detailed implementation of these alternatives to retrenchment will be discussed and agreed upon as and when required in terms of the provisions of the LRA, other relevant legislation, guidelines and collective agreements.

### **Voluntary or compulsory early retirement**

Preference may be given to retain younger employees and allowing those closer to retirement to terminate their employment. This principle is obviously one which will have to be considered and accepted by employee representatives in the context of the consultations envisaged by section 189 and 189A of the LRA which the company and employee representatives will embark on as set out above.

### **Voluntary severance packages**

In circumstances where extensive job losses are being contemplated there will be employees who, because of their skills, experience and or financial circumstances are less dependent on Harmony for employment than others. These employees will be given the opportunity to voluntarily terminate their services.

### **Stopping of new recruitment**

Obviously, where employees are facing losing their jobs it is absurd to continue recruiting new staff. However, there may be special skills which are required, or particular shortages which cannot be readily filled through training and development. If it is not possible to fill the needs of the mine such selective and restricted recruitment may continue, but will be closely monitored and conducted in a completely transparent way.

### **Termination of services of temporary and contracted labour**

Harmony has an agreement with NUM that restricts the employment of contractors and temporary employees in specific circumstances. Replacing such contractors with our own employees, that have become redundant, is a consideration.

### **Employment in other companies outside of Harmony**

The company will make use of the services of TEBA to attempt to place excess employees elsewhere in the industry as well as contacting other employers in mining and other large-scale industries to place redundant employees.

### **Adjustments to working arrangements**

This alternative includes arrangements such as: working part-time, making adjustments to shift schedules, reductions to the length of the working week, extended home stay periods and temporary lay-offs. It is a source of potential job loss reduction which has, regrettably, not met with much acceptance from organised labour in South Africa, but is used extensively in other countries with some success. Harmony plans to pursue this type of alternative with organised labour should job reductions become unavoidable. Obviously any proposal will only be implemented with the agreement of the employee representatives concerned.

### **Reduction of overtime**

The use of extensive overtime is an undesirable work practice. Overtime is both expensive and where it occurs on a large scale, reduces job opportunities. The company constantly ensures that all overtime is strictly



controlled and that only unavoidable overtime is worked. In circumstances where job losses are being contemplated, overtime will receive particularly close attention with a view to restricting it so that only absolutely necessary and unavoidable overtime is worked.

### **Working on off days**

Employees may be approached from time to time to agree to work additional shifts on Saturdays and public holidays, in order to improve productivity and generate additional revenue.

## **4.3 Management of Retrenchment**

### **Section 189 and 189A of the LRA**

The Operation will engage in formal Section 189 and 189A consultations with recognised employee representatives as soon as retrenchments are contemplated.

### **Section 52 of the MPRDA**

The company and its mines will provide the DMR with a letter for submission to the Minerals and Mining Development Board, as required by this section.

### **National social plan guidelines**

The consultation process as set out in the national social plan guidelines will be followed whereby employees' representatives and the Department of Labour are notified of, and consulted on, the contemplated downscaling.

### **Moratorium recruitment of new employees**

The Operation will discontinue the recruitment of new employees while attempting to fill vacant positions with existing over-complement employees who are suitably qualified, skilled, and experienced, provided that Harmony will be entitled to recruit employees with specialist skills and where a shortage of labour has occurred in a particular category.

### **National Economic Development and Labour Council social plan agreement**

In accordance with the NEDLAC social plan agreement the Department of Labour will be notified of:

- Number of employees possibly affected
- The employees' job categories
- Timing of the proposed retrenchments
- The assistance being offered includes training
- Prospects for re-employment
- Languages and areas of origin of affected employees
- The employees' skill profiles
- The resources available to assist employees
- Details of the agreements and disagreement or disputes with recognised and affected unions

Discussions will also be held with the department regarding any additional services that may be required, including the deployment of a retrenchment response team.



### **The Department of Labour**

It is envisaged that The Operation will make use of the Department of Labour's retrenchment response teams. They will set up job advice centres for affected employees at the mines in question, provide affected employees with information packs and advise on Unemployment Insurance Fund, assist with their registration with the department as work seekers, and advise on labour market and employment opportunities.

The mine reaches an agreement with the department regarding the provision of services to assist employees, including group counselling, employment counselling, training of affected employees and placement services. If necessary, additional staff will be contracted to assist the department and the mines in ensuring that these services are provided. Where necessary the above services provided for the affected employees will be for the mine's cost.

The Department of Labour is also required to notify the National Productivity Institute and the provincial and local government of any anticipated retrenchments.

### **Collective agreements**

The Operation is a part of Harmony collective agreements with all recognised trade unions which deal with downscaling and retrenchments. These agreements replicate the processes and procedures set out above, but also deal with such issues as severance pay, notice pay, re-employment and recall procedures, accommodation arrangements and training. Harmony has ensured that compliance with these agreements is part of the planning processes for downscaling and job reductions.

These collective agreements commit the Harmony group companies to paying severance packages far in excess of the minimum required by legislation. They also exceed the minimum notice requirements. These higher payments are part of the plan to ameliorate the effects of job losses as much as possible.

All employees at Harmony are members of retirement funds, to which the company and employees contribute on a monthly basis. In all cases, company contributions exceed those of the employees. On retrenchment, affected employees are able to access the accrued benefits accumulated over the years of service in these funds.

Together with the Department of Labour's retrenchment response team, the downscaling mines will assist employees with the registration and collection of UIF benefits.

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

Should the measures set out above not be sufficient to avoid large scale retrenchments, and the regions from which The Operation recruits employees be adversely affected. The following processes will be followed to ameliorate the hardships which results from job losses:

- Implementation of portable skills training for The Operation's employees for absorption into other sectors of the economy and for job creation and poverty alleviation through self-employment projects



## Skills training

Other mechanisms to provide alternative solutions to avoid retrenchments include the following:

- Training and development
- Relocation of employees to other mines
- Productivity improvement measures

## Portable skills training

Portable skills training is one of the most sustainable methods of mitigating the effects of downscaling and industry job losses. It gives affected employees the opportunity of viable long-term independence from the mining industry's uncertainties. For this reason, The Operation's plan is to make resources available for this type of training. Although it is possible to make arrangements to allow for training after the downscaling occurs and employment has been reduced, the mine plans to start such training before the need arises, thereby minimising the impact on affected employees and enabling them to take up alternative employment immediately the need arises.

*The table below reflects the plan for Portable Skills Training*

PORTABLE SKILLS TRAINING						
Course / Intervention	Plan					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
Total Planned	106	106	106	106	106	530

## Portable Skills Plan

The training of the Operation's employees will be a continuous, holistic and inclusive process. This process will include educational advancement, life and technical skills acquisition in a learning organisation supportive of the human need for growth and development. To meet these objectives employees participate in AET, life skills programmes, skills development, portable skills and individual career and development counselling.

*The following are rolled out and part of the portable skills development plans:*

PORTABLE SKILLS PLAN	
Ameliorating the social and economic impact of job losses on individuals	
<b>Objectives:</b>	<ul style="list-style-type: none"> <li>• To develop life or portable skills in all employees for job creation and poverty alleviation through self-employment and or to be absorbed in other sustainable sectors of the economy</li> </ul>
<b>Implementation plan:</b>	<p>The Operation's future forum will:</p> <ul style="list-style-type: none"> <li>• Conduct road-shows and awareness programmes on portable skills training to all the mine's employees</li> <li>• Conduct skills audits through which employees could make skills choices or preferences</li> <li>• Implement assessment and counselling services</li> <li>• Ensure that employees' skills choices or preferences are in accordance with the IDPs of the local</li> </ul>



## PORTABLE SKILLS PLAN

### Ameliorating the social and economic impact of job losses on individuals

economies, where The Operation's employees are sourced from mining communities and labour-sending areas

- These areas include Swaziland, Mozambique, Lesotho, Free State, Eastern Cape and Botswana
- Ensure integration of portable skills training to the Operation's AET and training programmes as a continuous, holistic and inclusive process
- Implement portable skills training to all employees
- Monitoring of the training
- Ensure linkage of the developed portable skills to the sustainable community projects through Harmony's LED and SMME development interventions

#### **Beneficial changes:**

- Job creation through the community projects
- Poverty alleviation
- SMME development skills

#### **Beneficiaries:**

- The Operation's employees (or their proxies)

### **Compliance to the IDP of the mining communities and labour-sending regions**

Since some of The Operation's employees are sourced from mining areas or labour-sending regions such as Swaziland, Mozambique, Lesotho, Eastern Cape and Botswana, the mine's will always ensure that the provided portable skills are complementary to the local economic needs of their respective areas. Budget for provision for Harmony's social plan trust fund, established in terms of the social plan framework agreement, is in a healthy state and will be able to cater for any eventually. The allocation of these funds will be in accordance with the framework agreement.

#### **4.5 Financial Provision – Downscaling and Retrenchment**

FINANCIAL PROVISION - PORTABLE SKILLS						
	Plan					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
Portable Skills (No of employees to be trained)	106	106	106	106	106	<b>530</b>
Cost per person (R)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	
<b>Total Financial Provision</b>	<b>424,000.00</b>	<b>424,000.00</b>	<b>424,000.00</b>	<b>424,000.00</b>	<b>424,000.00</b>	<b>2,120,000.00</b>



## Section 5: Financial provision

As per Regulation 46(e): To provide financially for the implementation of the social and labour plan in terms of the implementation of-

- Regulation 46(e)(i): the human resource development programme
- Regulation 46(e)(ii): the local economic development programmes; and
- Regulation 46(e)(iii): the processes to manage downscaling and retrenchment

### 5.1 Five year plan for Operation

Operation is committed to implementing this SLP and sets out in the following table below the amounts it intends to spend in the areas of HRD, LED and the management of downscaling and portable skills training.

*The ability of Operation to fund, on an ongoing basis, the programmes described in this SLP is, however, dependent on the ability of its mines to continue to generate positive cash flows after capital expenditure.*

Our strategic objective is to optimise the mining of our ore bodies, for the benefit of all stakeholders, particularly our employees whose job security is enhanced by our ability to extend the lives of our shafts through pay limit reduction. Decisions will accordingly always be made taking into account the long-term implications, and a balance will need to be found between competing interests.

In a similar vein, profitability and the generation of cash flows is dependent on the rand gold price received, as is the availability of ore reserves to be mined profitably. Gold price sensitivity of the reserves in ounces is shown at 5% intervals above and below the base gold price. With an increasing reserve gold price, generally, the average grade is reduced but with additional tonnes, resulting in an increased ore reserves. With a decreasing gold price, higher grades are declared at reduced tonnes equating to decreased ore reserves. The gold price to be used for the reserved declaration is reviewed annually and approved by the Board within the requirements of the regulatory framework.

Given that we cannot control the international gold price or the rand/dollar exchange rate, the only way in which we can sustain our ore reserves and therefore our future is through increased productivity in all spheres of the business, including stringent cost control.

*This SLP assumes a gold price of R525 000/kg. However, should this price not be achieved on a sustainable basis, and should our SLP roll-out be impaired by the occurrence of events beyond our reasonable control, or should any risk factor (including, without limitation, the risk factors referred to above) materialise or alter materially, the roll-out of the programmes outlined in this SLP may require re-assessment.*

Operation's undertakings elsewhere in this plan need to be read and understood in this context and against this background. On the positive side, should we be able in the future to achieve revenues significantly in excess of R525 000/kg, we will be in a position to accelerate the programmes. See profitability table below worked at 1% of Nett Profit after Tax:



## Profitability Table for the Operation at different Gold Prices

1% Nett Profit After Tax			
	At Au price of R525 000	At Au price of R472 000	At Au price of R577 500
Doornkop	8,431,003.57	1,622,760.18	15,108,061.90

### 5.2 Financial provision – Total of all elements

FINANCIAL PROVISION - TOTAL ALL ELEMENTS OF SLP						
Item	Plan					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
Human Resource Development	6,911,216.26	7,311,885.62	7,746,893.65	8,219,639.55	8,704,806.57	<b>38,894,441.64</b>
Mine Community Development	4,800,000.00	5,200,000.00	4,800,000.00	4,300,000.00	4,071,788.00	<b>23,171,788.00</b>
House and Living Conditions	1,600,000.00	1,600,000.00	1,300,000.00	1,000,000.00	1,000,000.00	<b>6,500,000.00</b>
Enterprise and Supplier Development	400,000.00	400,000.00	400,000.00	400,000.00	400,000.00	<b>2,000,000.00</b>
Downscaling and Retrenchment	424,000.00	424,000.00	424,000.00	424,000.00	424,000.00	<b>2,120,000.00</b>
<b>Total Financial Provision</b>	<b>14,135,216.26</b>	<b>14,935,885.62</b>	<b>14,670,893.65</b>	<b>14,343,639.55</b>	<b>14,600,594.57</b>	<b>72,686,229.64</b>



## Section 6: Reporting, monitoring and evaluation

The general manager of each mine is responsible for the implementation of the SLP and will report on a quarterly basis to the executive in charge of South African mines on progress regarding the implementation of this plan. The executive in charge of the South African mines will in turn report to the Board on progress on the implementation of this plan.

The executive in charge of South African mines shall be required to oversee the preparation and submission by Harmony, on an annual basis, of reports to the DME. Such reports will be in accordance with the financial yearend and shall reflect expenditures and progress in accordance with the undertakings contained in the various chapters.

### Undertaking


*Regulation 46(f): An undertaking by the holder of the mining right to ensure compliance with the Social and Labour Plan and to make it known to employees*

*The person responsible for the Social and Labour Plan, who is responsible to make known the Social and Labour Plan to the employees and who must be contacted for follow ups, requests, reports, queries, enquiries, discussions, etc. at time of such needs must make the following undertaking on behalf of the mine or production operation. The Chief Executive Officer, Managing Director or any other person so appointed must approve the Social and Labour Plan.*

I, SERGMO MOFOKENG the undersigned and duly authorised thereto by the Operation of Harmony Gold Mining Company Limited do undertake to adhere to the information, requirements, commitments and conditions as set out in the Social and Labour Plan.

Signed at DOORKOP on this 29 day of 2018

Signature of responsible person:

  
Sergmo Mofokeng  
2018-06-29  
General Manager  
Harmony Gold Mining Company Limited