



# SAFETY

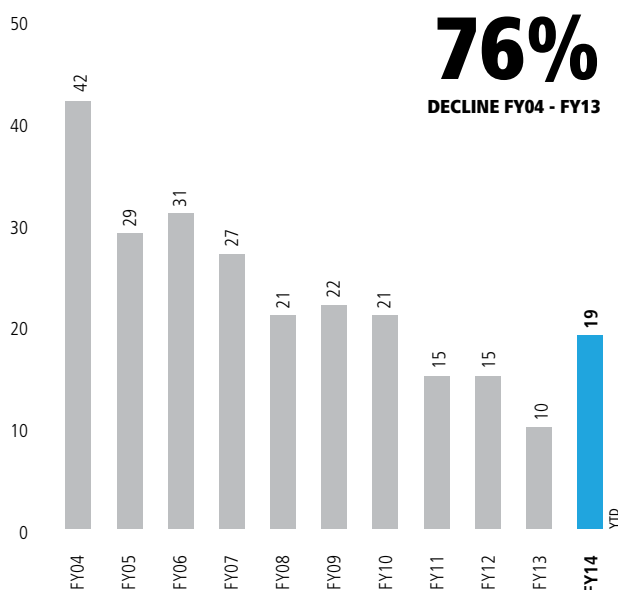
## IN OUR DNA



### MINING IS OUR PROFESSION BUT SAFETY IS OUR PRIORITY

Safety is a priority for Harmony. Safety comes first – always. The company has worked hard in the last 10 years to reduce fatalities and improve its lost-time injury frequency rate (LTIFR). The number of fatalities at our operations has dropped a massive 76% over the past 10 years and, even with this financial year's fatalities included, fatalities are still 55% lower than in 2004 when the company reported 42 deaths at its mines.

#### ACTUAL FATALITIES



While loss of life cannot be reduced to comparative numbers, improvements in our fatality injury frequency rate allow us to measure improvements and act immediately when there is a spike in the rate. In 2013, Harmony reduced its fatalities by 10% and its LTIFR by 20%.

A total of 20 236 shifts was lost due to occupational injury in South Africa in our 2013 financial year (FY12: 23 497), and 12 in Papua New Guinea (PNG). Shifts lost are a useful indication of the severity of occupational injuries. Harmony records 90 shifts lost for each fatality.

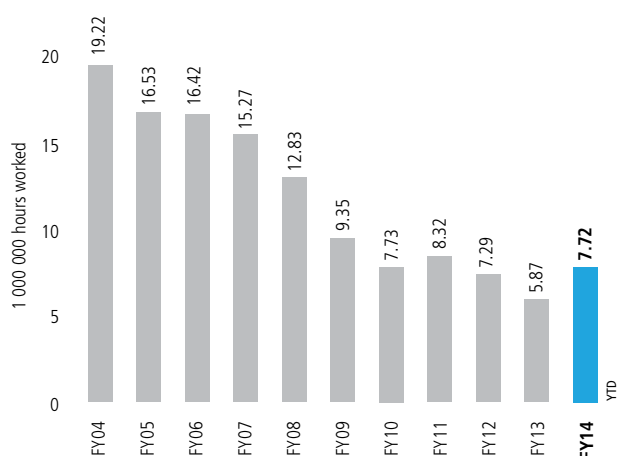
#### CALL TO ACTION

The loss of 11 employees in one week in February 2014 forced us to stop and revisit our safety programmes. We shut all of our operations for 24 hours to allow all managers and employees to identify hazards and safety concerns in their workplaces. Safety workshops were held and we have redoubled our efforts to communicate safety messages to all employees.

Our messages stress the value of each life and encourage employees to stick to safety standards, to think before they act and to act on their right to withdraw from an unsafe area.



## LOST-TIME INJURY FREQUENCY RATE



## OUR SAFETY STRATEGY

Our aim is to eliminate all work-related injuries and illness. Guided by an occupational health and safety policy, our co-operative health and safety management framework involves the active participation of management, unions and the government.

To accelerate the execution of our strategy and continually improve safety performance, each operation is monitored monthly using a formal review system, while major safety issues are reviewed annually.

Some of the key aspects of our safety strategy are:

- behavioural aspects
- leading from the top
- research and new technologies.

### Adoption of leading health and safety practices from the industry (MOSH)

Mining Occupational Safety and Health (MOSH) teams are industry teams facilitated by the Chamber of Mines learning hub which helps them identify and adopt industry leading practices.

The mining industry will continue to seek leading practices considered to have the potential to improve health and safety performance significantly.

There are currently six MOSH teams relevant to Harmony and on which Harmony has full-time representatives namely:

- 1) Transport and machinery team – Hard rock railbound underground
- 2) Transport and machinery team – Trackless
- 3) Open-pit mining team
- 4) Fall of ground team
- 5) Noise team
- 6) Dust team
- 7) People behaviour interest group

## BEHAVIOURAL ASPECTS

We believe safety in the workplace can be addressed only through a co-operative approach where management and employees accept joint responsibility for their actions.

It is therefore imperative that the working environment empowers people – including management, supervisors, workers and union representatives – to stop work and withdraw from the mining area when they feel it is unsafe, or to prevent others from acting in an unsafe way.

Safety has also been made a key performance indicator for management and a key component of performance reward for our people. Historically, safety-related bonuses were based on reactive performance measures, but we are now developing ways to assess safety performance on proactive measures. Employees will now also be measured on proactive actions, for example, monitoring the condition of the workplace for safety hazards, and not only on reactive measures such as the number of injuries.

Unsafe behaviour is not tolerated at Harmony. We encourage employees to report those who ignore safety rules and discipline those who have breached standards and procedures. In the six months to December 2013, Harmony issued 146 final





warnings and dismissed 13 employees for unsafe behaviour. The biggest price paid for unsafe behaviour is the loss of life.

## LEADING FROM THE FRONT

Harmony conducts high-level audits at all the company's operations under the auspices of the CEO. Aside from the regulatory compliance, the company has its own audit in place.

Most importantly, the company's leadership, from the CEO to the management team, embraces the safety strategy and makes regular visits underground just to discuss safety.

There are full-time safety representatives at each shaft. These employees drive safety on a mine level. That said, each new employee undergoes a formal induction programme, which alerts the employee to the possible hazards in the workplace and how to keep safe. Refresher training is done at least once every year, particularly when an employee returns to the workplace after being on leave.

Safety drives are a vital means of communication. Each workplace holds safety meetings and workplaces – from the headgear to the entrances of shafts – are adorned with massive banners relaying the safety message. Safety shifts – where whole shifts are dedicated to securing the workplace – are conducted frequently. Work is stopped and inspections are carried out to fix hazards and address concerns. They present a perfect opportunity to remind employees not to take short-cuts and to work according to procedures.

### Independent safety review of all Harmony's SA operations will be conducted

Harmony has agreed to an independent safety review to assess the company's safety standards, systems, behaviour and leadership towards safety.

The planned review will not only cover a review of the safety systems but will also assess the safety culture and leadership.

The review will take place over a period of approximately nine weeks. The company endeavours to use the findings to change and improve on how we improve safety in Harmony.

## RESEARCH AND NEW TECHNOLOGY

Great strides have been made in underground technology. These technologies have gone a long way towards saving lives but technology for seismic events is not foolproof. It can essentially identify risk areas but cannot predict next events. There is no prior warning.

Research and Technology includes (but is not limited to) the following:

- Use of a seismic network with geophones to monitor seismicity: Harmony has in place state-of-the-art seismic monitoring systems which allow for the continuous monitoring of seismicity at all underground operations. The seismometers are strategically positioned underground at all seismically active working areas, and are relocated from time to time depending on the stoping layout. Seismicity is recorded 24/7 and is processed and analysed by a seismologist daily. The results are used in the day-to-day management of seismic risk as well as in assisting with current and future mine planning. Safety protocols are in place to address any seismic hazardous area to minimize and/or eliminate the risk;
- A fire detection system with carbon monoxide (CO) and carbon dioxide (CO<sub>2</sub>) detection heads installed at strategic places underground that are monitored from a control room on surface; and
- Use of belt-worn self-contained self rescuers.

Self-contained self rescuers (SCSRs) are donned during an emergency situation such as underground fires, enabling the employees to reach a place of safety. Each unit generates sufficient oxygen to sustain an employee for at least 30 minutes. The need for SCSR is determined by each mine's risk assessment.



# SAFETY IS A PRIORITY FOR HARMONY

“There is a full-time safety representative at each shaft”

#### CONTACT DETAILS

##### Marian van der Walt

*Executive Corporate and Investor Relations*

T: +27 (0)11 411 2037

F: +27 (0)866 140 999

C: +27 (0)82 888 1242

E: marian@harmony.co.za

##### Henrika Ninham

*Investor Relations Manager*

T: +27 (0)11 411 2314

F: +27 (0)11 692 3879

C: +27 (0)82 759 1775

E: henrika@harmony.co.za

#### OUR HEALTH AND SAFETY STRATEGY MODEL

To create a culture where health and safety is the first priority

