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# Social and Labour Plan for Harmony Moab Khotsong Operations

2018 – 2022

Mining License

Harmony Gold Mining Company Ltd



## Submission of the Social and Labour Plan

This Social and Labour Plan (SLP) has been prepared by Harmony Gold Mining Company Ltd (Harmony) Moab Khotsong Operations in accordance with the requirements of the Mineral and Petroleum Resources Development Act, Act 28 of 2002 (MPRDA).

This SLP is prepared in accordance with Part II of the Regulations of the MPRDA, and is a prescribed plan for dealing with the social and labour issues for the remaining life of every mining right.

This SLP is valid from 1 January 2018 and will continue for five years to 31 December 2022.

**For further information in relation to this document please contact:**

	
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<b>Tel:</b>	<b>Tel:</b>
<b>Email:</b>	<b>Email:</b>

## Mining Charter Scorecard

Does the company have a five year plan?			
Description	Yes	No	Regulation
<b>Human resource development</b>			
Has the company offered every employee the opportunity to be functionally literate and numerate by the year 2009 and are employees being trained?	X		46(b)
Has the company implemented career paths for historically disadvantaged South African (HDSA) employees, including skills development?	X		46(b)
Has the company developed systems through which empowerment groups can be mentored?	X		46(b)
<b>Employment equity</b>			
Has the company published its employment equity plan and reported on its annual progress in meeting that plan?	X		46(b)
Has the company established a plan to achieve a target of HDSA participation in management of 40% within five years, and is it implementing plan?	X		46(b)
Has the company established a plan to achieve the target for women participation in mining of 10% within five years and is it implementing the plan?	X		46(b)
<b>Migrant labour</b>			
Has the company subscribed to government and industry agreements to ensure non-discrimination against foreign migrant labour?	X		46(b)
<b>Mine community and rural development</b>			
Has the company co-operated in the formulation of IDPs, and is the company co-operating with government in the implementation of these plans for communities where mining takes place and for communities in major labour-source communities?	X		46(c)
Has there been an effort on the side of the company to engage the local mine community and major labour-sending communities? Companies will be required to cite a pattern of consultation, indicate money expenditures and show a plan.	X		46(c)
<b>Housing and living conditions</b>			
For company-provided housing, has the mine (in consultation with stakeholders) established measures for improving the standard of housing – including the upgrading of hostels, conversion of hostels and family units and promotion of home-ownership options for mine employees? Companies will be required to show what they have done to improve housing, a plan to progress the issue over time and how the plan is being implemented.	X		46(c)



For company-provided nutrition, has the mine established measures for improving the nutrition of the mine employees? Companies will be required to show what they have done to improve nutrition, a plan to progress the issue over time and how they are implementing the plan.

X

46(c)

**Procurement and enterprise development**

Has the company given HDSAs preferred supplier status?

X

46(c)

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

X

46(c)

Has the company indicated a commitment to a progression of procurement from HDSA companies over a three to five year time frame in terms of capital goods, consumables and services? To what extent has the commitment been implemented?

X

46(c)

**Reporting**

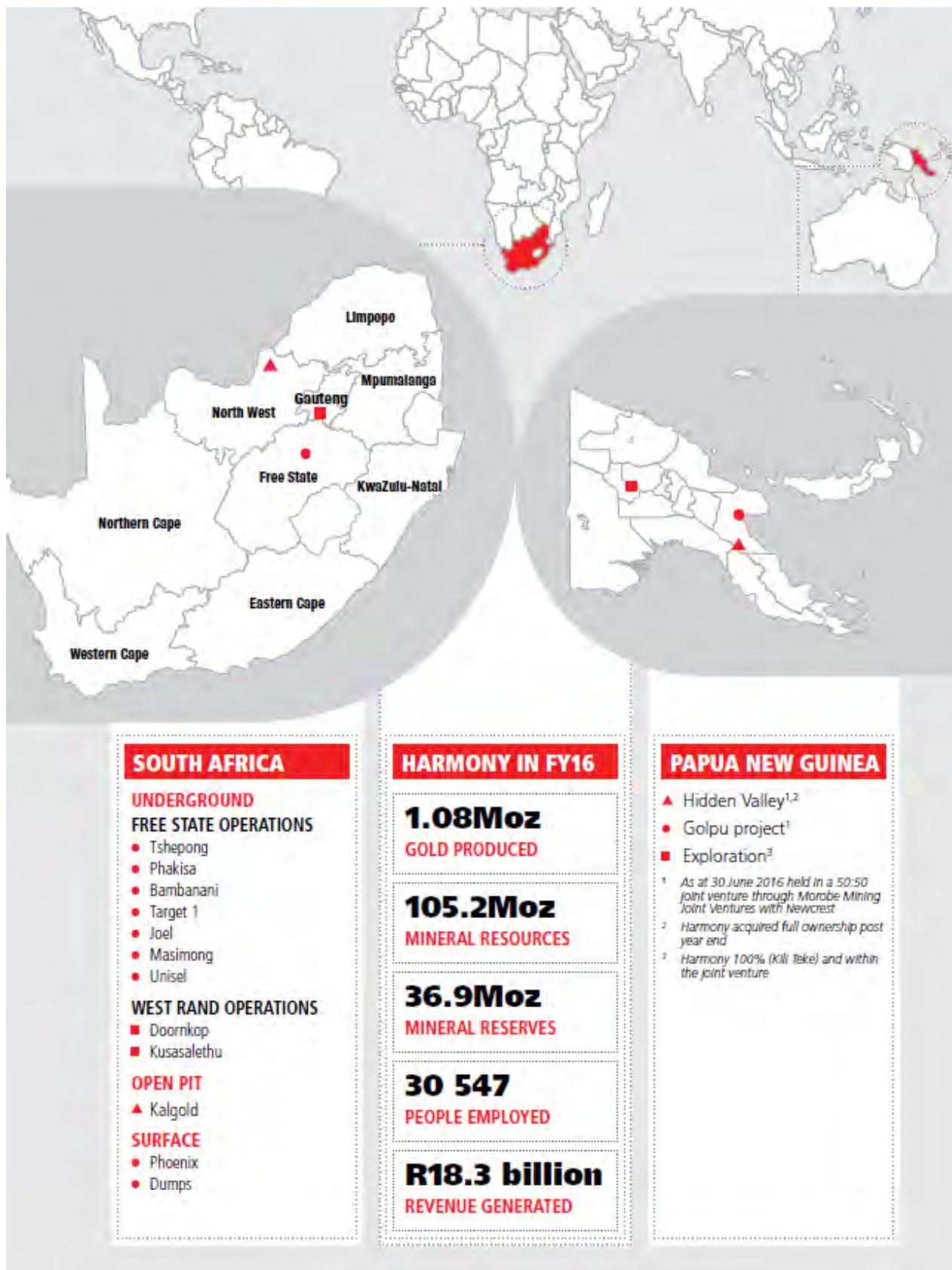
Has the company reported (on an annual basis) its progress towards achieving its commitments in its annual report?

X

46(c)



# Background: Harmony Gold



## About Harmony Gold

Harmony Gold currently has mining operations in both South Africa and Papua New Guinea. In South Africa, Harmony's gold mining operations are concentrated in the world renowned Witwatersrand Basin and Kraaipan Greenstone Belt. In FY16, the South African operations accounted for 93% of total production of 1.08Moz.

The company currently has nine underground mines, one open-pit operation and several surface resources in South Africa. The company currently employed 30 547 people in total – 25 861 employees and 4 580 contractors in South Africa. Employees are drawn from communities around our operations, from other provinces in South Africa and from other countries (Lesotho, Mozambique and Zimbabwe).

## Harmony Gold's Values

All of Harmony's operations are based around the following 5 core values:



No matter the circumstances, **safety** is our main concern.



We are **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

## Background: Harmony Moab Khotsong Operations

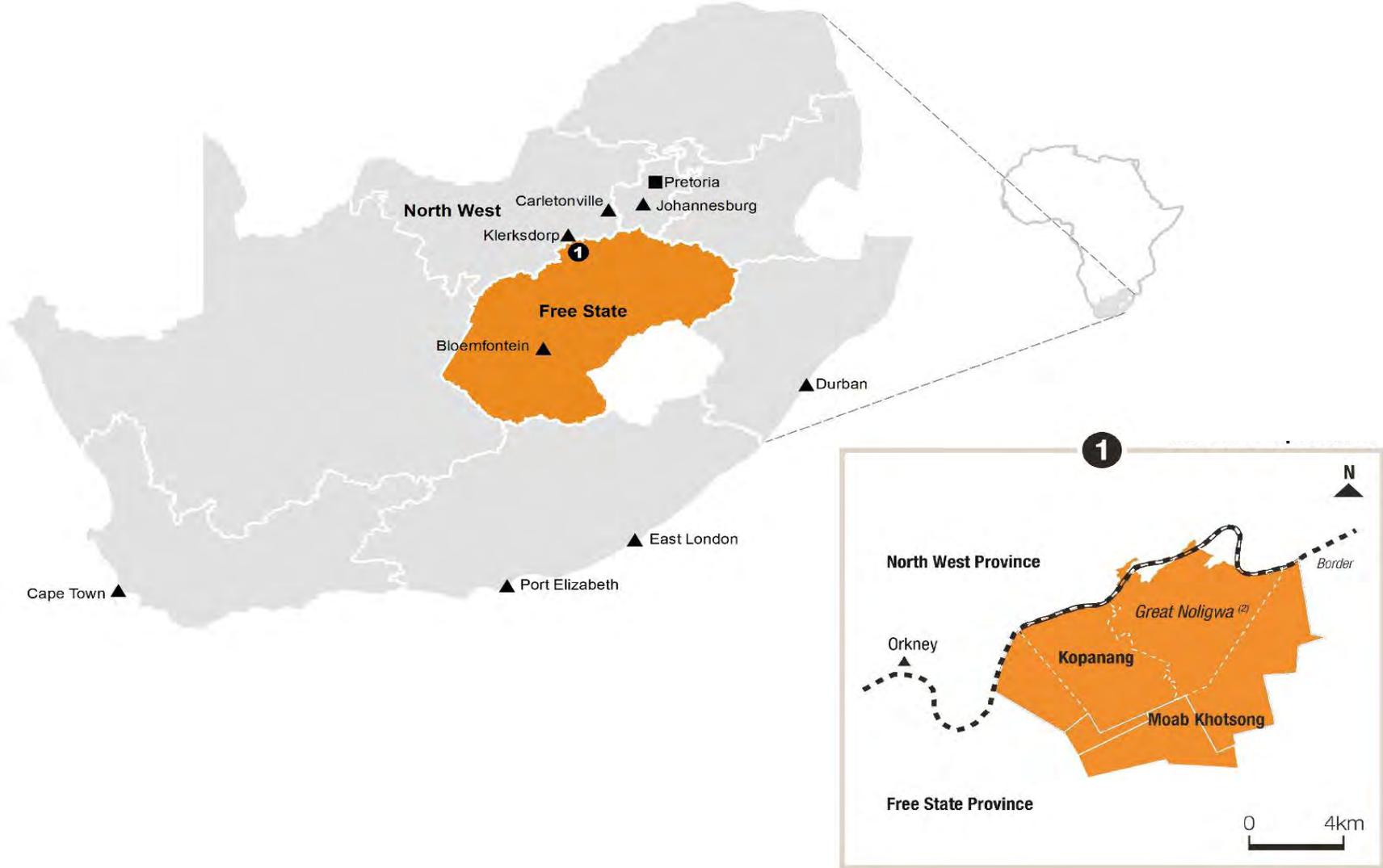
As per Regulation 46(a): Introduction, the following background information is provided on the mine.

### Location

The Moab Khotsong Operations consist of the Greater Noligwa Mine, Moab Khotsong Mine, Noligwa Gold Plant, South Uranium Plant and Mispah 1 and 2 and Kopanang paydam tailings storage facilities (TSFs).

The Operations are located at the boundary between the North-West and the Free State provinces. The northern portion of the mine lease area falls within the City of Matlosana Local Municipality and the jurisdiction of Southern District Municipality in the North West province. The southern portion of the operations falls within the Moqhaka Local Municipality, and under the Jurisdiction of District Municipality of Fezile Dabi in the Free State Province.





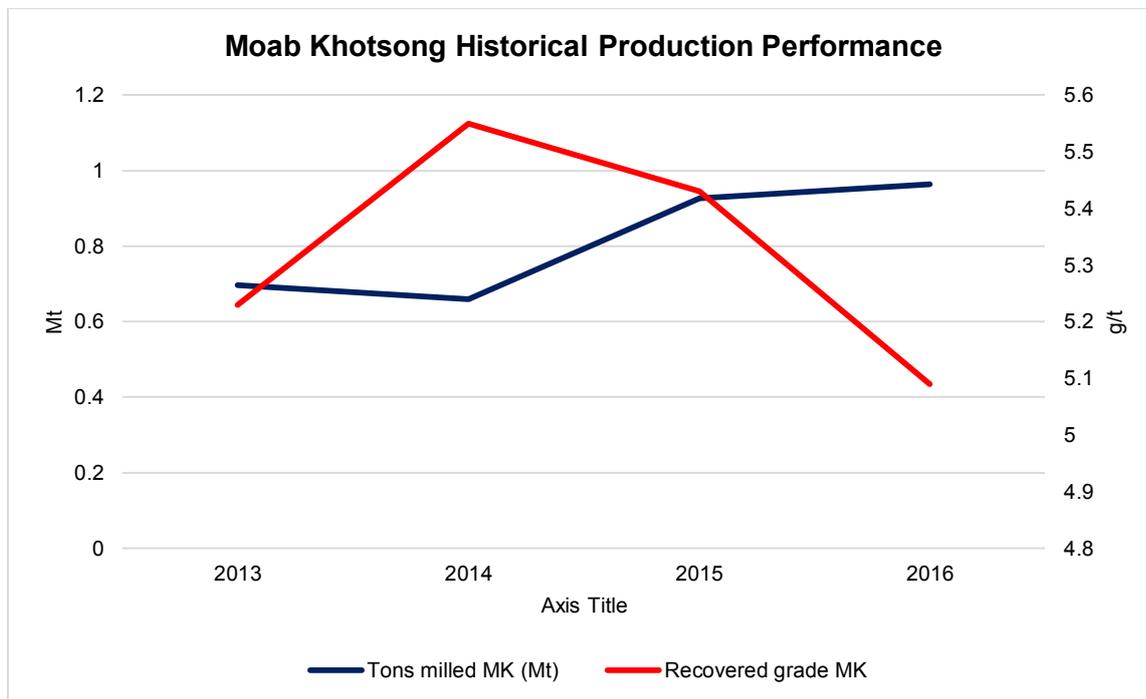
### Safety

There has been a significant reduction in injuries and fatal injuries from 2002 to 2016, and this is a commendable achievement.

In spite of the improvement, the number of Section 54 safety stoppages were at an all-time high in 2015 at Harmony Moab Khotsong Operations. Lost shifts totalled 48 days and the production loss was 1 047 kg Gold.

### Operations Review

The production is sourced from two main sources. The operations are Moab Khotsong and some of the levels of the mothballed Greater Noligwa Mine. As from 2015 the Greater Noligwa production plan was integrated in to the Moab Khotsong plan and then was put under care and maintenance. Greater Noligwa’s operating infrastructure and employees have been incorporated into Moab Khotsong since 2015.



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## Acronyms and Abbreviations

SLP Glossary Of Terms And Acronyms / Abbreviations	
Abbreviation	Full Word
ABET	Adult Basic Education and Training
AET	Adult Education and Training
AIDS	Acquired Immune Deficiency Syndrome
AMCU	Association of Mineworkers and Construction Union
ATDS	AngloGold Ashanti's Training and Development Services
ATR	Annual Training Report
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
BO	Black Owned
BWO	Black Women Owned
CBOs	Community Based Organisations
CSDC	Central Skills Development Committee
CSI	Corporate Social Investment
DMR	Department of Mineral Resources
DoL	Department of Labour
DTI	Department of Trade and Industry
EAP	Economically Active Population
EE	Employment Equity
ENA	Enrolled Nursing Auxiliary
FET	Further Education & Training
FLC	Foundational Learning Competence
GETCA	General Education and Training Certificate for adults
HDSA	Historically disadvantaged South Africans
HIV	Human Immunodeficiency virus
HRD	Human Resources Development
IDP	Integrated Development Plan
LED	Local Economic Development
M	Million
Masakhisane	Enterprise development vehicle whose main objective is to fund and support the creation and development of commercially viable enterprises in the host and labour sending areas.
Mining Charter (MC) or the Charter	Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry
METF	Mineral Education Trust Fund
MoR	Manager-once-Removed
MPRDA	Mineral Petroleum Resources Development Act (Act No. 28 of 2002), as amended from time to time, which came into effect on the 11 May 2004.
MPRDA Regulations	Mineral Petroleum Resources Development Regulations as Gazetted by the President on 23 April 2004.
MQA	Mines Qualifications Authority
NGO	Non-Government Organisation



NPAT	Net Profit After Tax
NPO	Non-Profit Organisation
NQF	National Qualifications Framework
NUM	National Union of Mineworkers (South Africa)
NWP	North West Province
Paterson Grading System	Job Evaluation System generally used in the South African Mining
PEA /PER	Personal Effectiveness Appraisal /Personal Effectiveness Review
QCTO	Quality Council for Trades and Occupations
Rand (R)	South African Rand
RPL	Recognition of Prior Learning
SA	South Africa
SANC	South African Nursing Council
SAR	South Africa Region
SARS	South Africa Regional Services
SARTSC	South Africa Region Transformation Steering Committee
SDC	Skills Development Committee
SETA	Sector Education Training Authority
SLP	Social and Labour Plan
SMME's	Small, Medium and Micro Enterprises
Solidarity	Solidarity Trade Union
SoR	Subordinate-once-Removed
SP	Systems for People
Teba	The Employment Bureau of Africa- An institution that has historically recruited labour for the Mining Industry which now
UASA	United Association of South Africa
Umalusi	An education quality assurance body in South Africa
WSP/ATR	Workplace Skills Plan/ Annual Training Report



# 1 Preamble

## 1.1 Salient information on the application

<b>Name of the holding company</b>	Harmony Gold Mining Company Limited (1950/038232-06) (“Moab Khotsong”)
<b>Name of the mines</b>	Harmony Moab Khotsong Operations
<b>Physical Address</b>	Farm 69 Chrystalkop, Vierfontein District Vaal River Orkney Southern side of the R502 Between Orkney and Potchefstroom
<b>Postal Address</b>	Randfontein Office Park PO Box 2 Randfontein 1760 South Africa Corner Main Reef Road and Ward Avenue Randfontein 1759 South Africa
<b>Telephone number</b>	+27 18 478 6121
<b>Fax number</b>	+27 18 478 6223
<b>Location of the mines</b>	MK Mine (Great Noligwa has been incorporated with Moab Khotsong), is located approximately 170 km to 180 km from Johannesburg, near the Vaal River within the North West and Free State Provinces of South Africa
<b>Life of mine</b>	7 years (ending beginning 2025)



### 1.1.1 Life of Mine

Currently the Moab Khotsong Operations have an anticipated ten year life of mine (LoM) from 2017 to 2027. However, the potential for an additional 17 years exists should the opportunity be unlocked. The diagram below provides an overview of the LoM overview form 2017 – 2022.

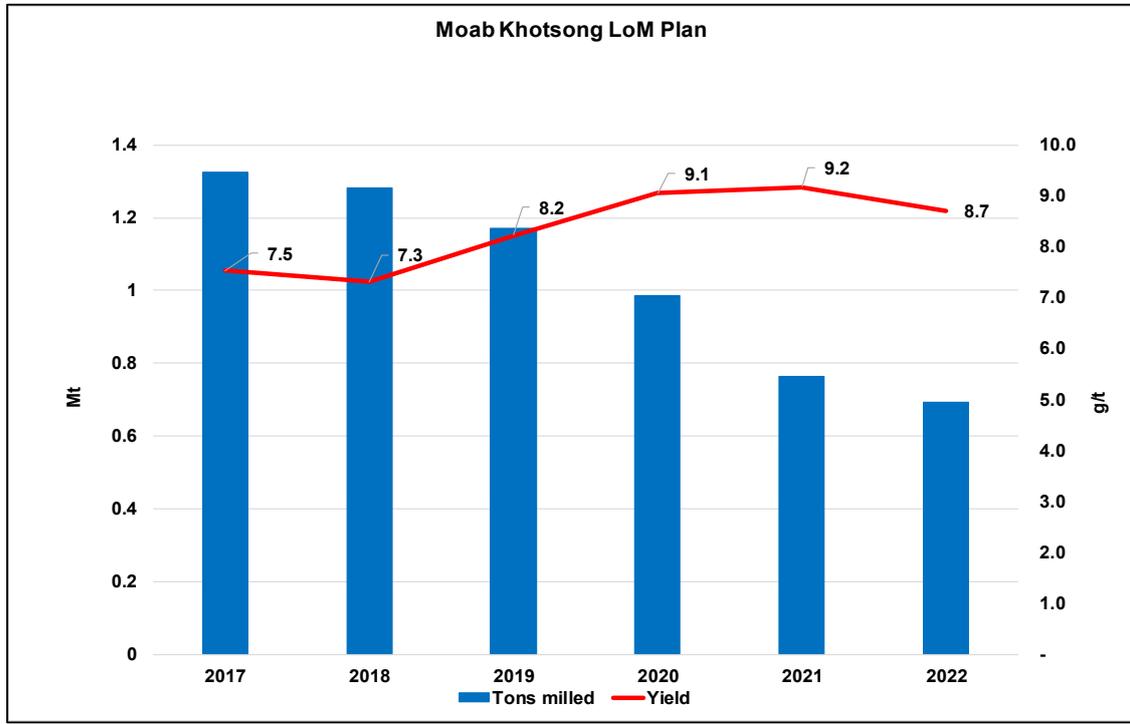
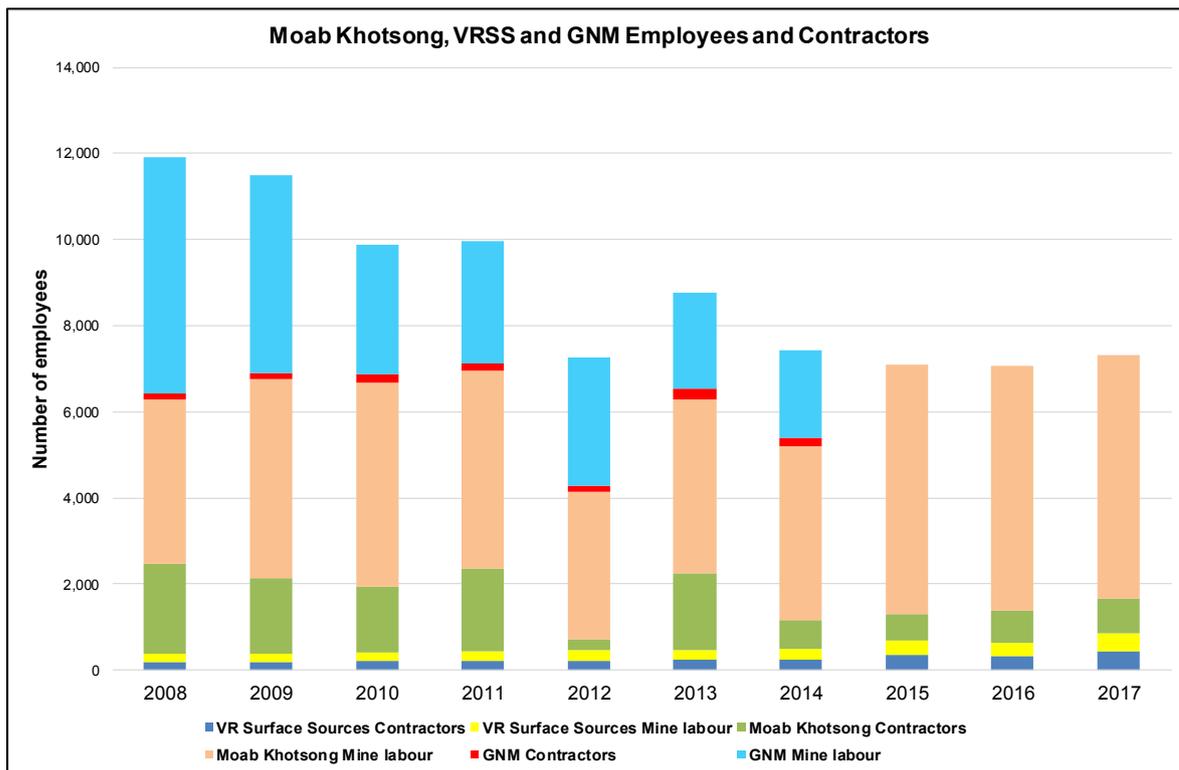


Figure 1-1: Harmony Moab Khotsong LoM overview

### 1.1.2 Workforce composition

Moab Khotsong Operations will provide employment for 6 636 employees. The historical employee compliment and contractors from 2008 to February 2017 are provided in the figure below. The breakdown of employees at Moab Khotsong Operations as at October 2017 is outlined in Tables 1-1, 1-2 and 1-3. GN Mine was put under care and maintenance in 2015 and only staff involved in those operations were retained. There are currently about 22 employees involved with the care and maintenance of GN Mine.





**Figure 1-2: Moab Khotsong employees and contractors (2008 – 2017)**

**Table 1-1: Moab Khotsong Workforce Composition**

The tables below show the profiles of the total workforce of Moab Khotsong Operations as at October 2017.



**Table 1-2: Harmony Moab Khotsong workforce profile**

Area of Employment	Black	Coloured	Indian	White	Male	Female	Grand Total
Moab Khotsong & Great Nologwa Mine	5032	15		338	4795	590	5385
Care and Maintenance GN Mine	15			7	21	1	22
Mispah	56			6	48	14	62
Nologwa Plant	178	5		50	186	47	233
South U Plant	98	5		30	109	24	133
Nufcor	23			4	21	6	27
Great Nologwa PHC	19			1	5	15	20
MOAB Khotsong PHC	15	1			7	9	16
Nologwa Residence	113			7	68	52	120
Properties Central	10			12	13	9	22
Community and Social Development	3				2	1	3
VRM	8			16	13	11	24
ATDS Trainees - Moab and GNM	51	1	2	7	44	17	61
Occupational Health	45	3		8	36	20	56
VR Tailings	35	2	1	14	11	41	52
MET Security	68			23	23	68	91
SAMS / Management	27	1		14	23	19	42
ATDS Engineering Training	15	3		23	10	31	41
ATDS Gateway	40			13	10	43	53
Engineering	78	3		28	16	93	109
High Density Central and Core Maintenance	3			7	2	8	10
High Density Boarding House	19			2	15	6	21
Central WH South U Plant	15			1	3	13	16
Environmental Management	4	1	1	11	5	12	17
<b>Total</b>	<b>5 970</b>	<b>40</b>	<b>4</b>	<b>622</b>	<b>950</b>	<b>5 686</b>	<b>6 636</b>
<b>Percentage of Total Workforce</b>	<b>90%</b>	<b>0.6%</b>	<b>0.06%</b>	<b>9.4%</b>	<b>14.3%</b>	<b>85.7%</b>	<b>100%</b>



**Table 1-3: Breakdown of employees per labour sourcing community**

Area of Employment	RSA	Botswana	Lesotho	Mozambique	Swaziland	Zimbabwe	Total
Moab Khotsong & Great Nologwa Mine	3594	22	899	701	167	2	5385
Care and Maintenance GN Mine	14		2	3	3		22
Mispah	61		1				62
Nologwa Plant	226		4	1	2		233
South U Plant	128	1	2	1	1		133
Nufcor	27						27
Great Nologwa PHC	20						20
MOAB Khotsong PHC	16						16
Nologwa Residence	98	1	18	2	1		120
Properties Central	22						22
Community and Social Development	3						3
VRM	23				1		24
ATDS Trainees - Moab and GNM	58		2	1			61
Occupational Health	55		1				55
VR Tailings	49		1		2		49
MET Security	91						91
SAMS / Management	41		1				41
ATDS Engineering Training	41						41
ATDS Gateway	49		3	1			49
Engineering	105		3	1			105
High Density Central and Core Maintenance	9		1				9
High Density Boarding House	18		3				18
Central WH South U Plant	14	1			1		14
Environmental Management	17						17
<b>Total</b>	<b>4 779</b>	<b>25</b>	<b>941</b>	<b>711</b>	<b>178</b>	<b>2</b>	<b>6 636</b>
<b>Percentage of Total Workforce</b>	<b>72%</b>	<b>0.4%</b>	<b>14.2%</b>	<b>10.7%</b>	<b>2.7%</b>	<b>0.03%</b>	<b>100%</b>



## 2 Human Resources Development Programme

### 2.1 Introduction

This section of the SLP details with Harmony Moab Khotsong Operations mine's five year plan to achieve the optimal development of its human resources (HR) as envisaged in the MPRDA and the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (the Mining Charter), and monitored by means of the accompanying scorecard.

According to the National Development Plan, education, training and innovation are central to South Africa's long-term development. These are the core elements in eliminating poverty, reducing unemployment, inequality, and serve as foundations of an equal and prosperous society as envisioned in the Constitution. Education empowers people to define their identity, take control of their lives, raise healthy families, take part confidently in developing a just society, and play an effective role in the politics and governance of their communities.

Harmony's HRD strategy is aimed at empowering and giving employees opportunities to develop within the company and also offers the communities in our host and major Labour Sending areas opportunities to better their skills and knowledge in order to be absorbed easily into the economy.

### 2.2 Mining Charter requirements

In terms of Human Resource Development, the 2014 broad-based socio-economic empowerment charter of the South African mining and minerals industry states as follows:

*"The mining industry is knowledge based and thus hinges on human resource development, constituting an integral part of social transformation at workplace and sustainable growth. To achieve this objective, the mining industry must:*

*"Invest a percentage of annual payroll (as per relevant legislation) in essential skills development activities reflective of the demographics, but excluding the mandatory skills levy, including support for South African based research and development initiatives intended to develop solutions in exploration, mining, processing, technology efficiency (energy and water use in mining), beneficiation as well as environmental conservation and rehabilitation; as follows:*

- *Target for 2018 = 3%;*
- *Target for 2019 = 3.5%;*
- *Target for 2020 = 4%;*
- *Target for 2021 = 4.5%;*
- *Target for 2022 = 5%"*

### 2.3 Harmony Moab Khotsong Operations HRD Strategy

The Human Resources Development (HRD) Strategy of Harmony Moab Khotsong Operations supports the company's business strategy and objectives, as well as the South African legislative and regulatory framework that seeks to address the general skills shortage within the country, as well as ensuring equitable representation in the workplace. This SLP outlines the variety of HRD initiatives to be undertaken by Harmony Moab Khotsong Operations.



In this document we capture the 2018-2022 SLP commitments which includes the company's Employees and host and major labour sending Communities, or Community HRD.

The following constitute the 2018-2022 HRD Financial Provisions Targets as a percentage of Payroll:

- **Target for 2018 = 5.0%**
- **Target for 2019 = 5.25%**
- **Target for 2020 = 5.5%**
- **Target for 2021 = 5.75%**
- **Target for 2022 = 6%**

### 2.3.1 Adult Basic Education and Training

Adult Basic Education and Training (ABET) is a key instrument towards transformation and development within the company and the employees' lives. The aim is to address literacy and numeracy levels, respond to the labour market and provide individuals with knowledge and skills which ultimately adds value to the individuals and the company. It enables individual participation and improves employability and competences enabling the adult improved professional mobility and flexibility which will create access to career development. It supports individual development and personal satisfaction and is accessible to all categories of employees within the company.

ABET is the general conceptual foundation towards lifelong learning and development, comprising of knowledge, skills and attitudes required for social, economic and political participation and transformation applicable to a range of contexts. ABET is flexible, developmental and targeted at the specific needs of particular audiences and, ideally, provides access to nationally recognised certificates.

ABET address employees who need basic education in numeracy and literacy and from 2016 onwards, the GETCA (General Education and Training Certificate for Adults) will be a new inclusion for further development by the registered SETA, the MQA.

Adult Basic Education and Training includes:

- Adult Education & Training,
- Foundational Learning for Individuals to enter into vocational training programs (FLC), and
- Continuing or further education and training.

The system is designed to be flexible and dynamic allowing continuing education and training that is capable of responding quickly to the needs for knowledge and skills, that will allow each individual to acquire an initial vocational education and pre-qualification, in addition to further education and training, and which refreshes knowledge, skills, work and life competencies that are crucial for overall development.

#### **ABET Programme Objectives**

ABET is the pathway for further development for many employees in addition to improving their literacy levels. It is therefore imperative that ABET provided by the company is of a high standard and can withstand external benchmarking in the form of external examinations.

The company will provide ABET programmes (Pre-ABET, ABET 1, 2, 3 & 4) as well as the Foundational Learning Component (FLC) in the region at the various residences and Full Time Community Centres. To ensure accessibility to employees, ABET will be provided on a Part Time



basis, at no cost to the learners who attend during non- working hours. Full Time ABET 4 Fundamentals and Foundational Learning (FLC) will be available to individuals identified by their line managers.

### **ABET Awareness**

Campaigns have been undertaken over the past few years for promotion and awareness purposes. Communication channels include posters, mass meetings and articles in newsletters, HRD committee and flyers. An internal audit found that employees are fully aware of the ABET facilities at Harmony Moab Khotsong Operations.

### **ABET Enrolments and Progression**

Harmony has planned approximately 220 Moab Khotsong Operations learners for the next 5 years to attend ABET 4 / FLC. Should the GETCA be introduced to the sector there will be a phase out period of the current ABET 4 and in 2020 Harmony will start with the GETCA using the same figures planned or the difference thereof. The following progression is envisaged as follows:

- **2018:** ABET level 4 language and communication, thereafter FLC
- **2019:** Learners can register on the current ABET level 4 up until the 30 June 2019 – two full-time intakes and one part-time intake.
- **2020 – 2022:** Continue with the GETCA qualification in line with the MQA requirements. The following tables constitute the 2018- 2022 ABET Plans.



Table 2-1: Harmony Moab Khotsong Operations ABET – Indicative enrolment numbers

HRD ABET1: ABET Enrolments Planned for 2018												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSEA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
Pre ABET	26	0	0	0	26	2	0	0	0	2	28	28
ABET 1	39	0	0	0	39	3	0	0	0	3	42	42
ABET 2	27	0	0	0	27	3	0	0	0	3	30	30
ABET 3	19	0	0	0	19	2	0	0	0	2	21	21
ABET 4 Fund / FLC	64	0	0	0	64	4	0	0	0	4	68	68
<b>TOTALS</b>	<b>175</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>175</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>189</b>	<b>189</b>
HRD ABET2: ABET Enrolments Planned for 2019												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSEA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
Pre ABET	22	0	0	0	22	0	0	0	0	0	22	22
ABET 1	31	0	0	0	31	2	0	0	0	2	33	33
ABET 2	21	0	0	0	21	2	0	0	0	2	23	23
ABET 3	15	0	0	0	15	2	0	0	0	2	17	17
ABET 4 Fund / FLC	51	0	0	0	51	5	0	0	0	5	56	56
<b>TOTALS</b>	<b>140</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>140</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>151</b>	<b>151</b>
HRD ABET3: ABET Enrolments Planned for 2020												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSEA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
Pre ABET	13	0	0	0	13	0	0	0	0	0	13	13
ABET 1	38	0	0	0	38	0	0	0	0	0	38	38
ABET 2	18	0	0	0	18	1	0	0	0	1	19	19
ABET 3	10	0	0	0	10	2	0	0	0	2	12	12
ABET 4 Fund / FLC / GETCA	37	0	0	0	37	2	0	0	0	2	39	39
<b>TOTALS</b>	<b>116</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>116</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>121</b>	<b>121</b>



HRD ABET4: ABET Enrolments Planned for 2021												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSEA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
Pre ABET	10	0	0	0	10	0	0	0	0	0	10	10
ABET 1	17	0	0	0	17	0	0	0	0	0	17	17
ABET 2	10	0	0	0	10	2	0	0	0	2	12	12
ABET 3	7	0	0	0	7	0	0	0	0	0	7	7
ABET 4 Fund / FLC / GETCA	31	0	0	0	31	2	0	0	0	2	33	33
<b>TOTALS</b>	<b>75</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>79</b>	<b>79</b>

HRD ABET5: VR ABET Enrolments Planned for 2022												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSEA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
Pre ABET	7	0	0	0	7	0	0	0	0	0	7	7
ABET 1	14	0	0	0	14	0	0	0	0	0	14	14
ABET 2	9	0	0	0	9	0	0	0	0	0	9	9
ABET 3	6	0	0	0	6	0	0	0	0	0	6	6
ABET 4 Fund / FLC / GETCA	26	0	0	0	26	0	0	0	0	0	26	26
<b>TOTALS</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62</b>	<b>62</b>



## 2.4 Portable Skills

The objective of this programme is to provide portable skills training to employees who show an interest in obtaining such training and with a special emphasis on employees who are incapacitated or retrenched in order to remain economically active, employable or self-sustaining within their communities. Employees will be entitled to a once off course at no cost to the participant. The individuals will complete specific modules and will be issued with a certificate of attendance on completion of the said course. The stated courses exclude the cost of transport and accommodation but include PPE (Personal Protective Equipment) and meals.

Harmony provides voluntary skills training programmes to employees with skills which are valuable outside of the mining industry. The current communication channels to communicate the portable skills training, is through pamphlets, organised labour and the Skills Development Committee (SDC) structures at the business units.

Employees are trained in portable skills, as indicated in the table below. Entrepreneurial and Business Skills training forms part of all the offerings aimed at assisting individuals to become self-employed or to create opportunities for individuals to form SMMEs and become self-employed in the event of retrenchment.

The following tables constitute 2018 to 2022 Portable Skills Training Plans (PSTP):



HRD PSTP SUMMARY: Portable Skills Training Planned for 2018 - 2022													
	Number (Delegates)	Duration (Days)	Number of courses and delegates planned for Moab Khotsong Operations per year										
			2018		2019		2020		2021		2022		
	Number of:		Courses	Delegates	Courses	Delegates	Courses	Delegates	Courses	Delegates	Courses	Delegates	
Basic Welding	10	8	1	10	0	0	1	10	0	0	1	10	
Basic Wiring	10	8	1	10	1	10	0	0	1	10	0	0	
Basic Brick Laying	10	13	0	0	1	10	0	0	1	10	1	10	
Basic Plumbing	10	13	1	10	0	0	1	10	0	0	1	10	
Basic Computer	10	7	1	10	0	0	1	10	0	0	0	0	
Basic Carpentry	10	13	0	0	0	0	0	0	1	10	1	10	
Basic Engine Service	10	8	0	0	0	0	1	10	0	0	1	10	
Basic Forklift	6	8	0	0	1	6	0	0	1	6	0	0	
Basic Refrigeration	10	13	0	0	1	10	1	10	0	0	0	0	
Sewing Course (External provider)	20	18	1	10	1	14	0	0	1	14	0	0	
PC Skills (ABET learners)	15	1	6	85	5	70	4	48	4	41	3	32	
<b>TOTAL</b>			<b>11</b>	<b>135</b>	<b>10</b>	<b>120</b>	<b>9</b>	<b>98</b>	<b>9</b>	<b>91</b>	<b>8</b>	<b>82</b>	



**Table 2-2: Portable skills training planned from 2018 - 2022**

<b>HRD PSTP1:Portable Skills Training Planned for 2018</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	27	1	0	2	30	20	0	0	0	20	50	48
<b>TOTALS</b>	<b>27</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>30</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>50</b>	<b>48</b>
<b>HRD PSTP2:Portable Skills Training Planned for 2019</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	28	0	0	2	30	19	0	0	1	20	50	48
<b>TOTALS</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>30</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>20</b>	<b>50</b>	<b>48</b>
<b>HRD PSTP3:Portable Skills Training Planned for 2020</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	27	1	1	1	30	19	0	0	1	20	50	49
<b>TOTALS</b>	<b>27</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>30</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>20</b>	<b>50</b>	<b>49</b>
<b>HRD PSTP4:Portable Skills Training Planned for 2021</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	28	1	1	0	30	19	1	0	0	20	50	50
<b>TOTALS</b>	<b>28</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>30</b>	<b>19</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>50</b>	<b>50</b>
<b>HRD PSTP5:Portable Skills Training Planned for 2022</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	27	1	1	1	30	17	1	1	1	20	50	49
<b>TOTALS</b>	<b>27</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>30</b>	<b>17</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>20</b>	<b>50</b>	<b>49</b>



## 2.5 Trainee Programmes and Learnerships for Employees

Learnership and trainee programmes are aimed to create, develop and support a pool of suitably qualified and competent first line and middle management employees to address the company's skills requirements, as well as potential pool for Employment Equity imperatives. Such programmes include, but are not limited to, Management Trainee and Learner Official Programmes, and Engineering and Mining Learnerships. Where required, these programmes will be registered and accredited through the appropriate qualification authorities

Although learners and trainees are allocated to geographical areas such as the Moab Khotsong they remain a South African Regional resource in the pool covering the Moab Khotsong licensed area. The restructuring and decline in the industry resulted in a lack of available positions to place trainees who have completed the programme however they continue to receive work exposure and are placed in the resource pool for potential appointment within the company. The representation of the economically active population, especially in terms of Whites, Coloureds and Indians, are under-represented in the industry and as such difficult to recruit.

### 2.5.1 Trainee Programmes: Management Trainees

The Management Trainee (MT) Programme is approximately three years in duration, over four phases, which gives graduates the skills needed for middle management positions within the company. Incumbents are given opportunities to qualify and obtain professional accreditation where appropriate. The MTs are appointed where opportunities are available in scarce and critical skills fields once they have completed the programme. Progress along the route of the MT programme is generally competency based. The training programme schedules and sequences are therefore individualised, flexible and dynamic which is paced according to the learner. This allows a MT to display initiative, innovation and to experiment with the principles learned. MTs have a Personal Training Programme and Schedule, and relevant experience is recognised. The MT's career progress is monitored and discussed with all relevant stakeholders. The MT's training and career development will follow a specific career path and promotional route, but can also be determined by the achievement of certificate of competency where applicable. Progress along the career route will largely depend on the individual MT proving his/her ability to perform competently in each substantive position as well as displaying the required potential for promotion to the next level. The company's Training Managers are accountable to provide each MT with a discipline specific training programme, as well as mentorship and/or coaching from subject matter experts, with timeframes and requirements to achieve ratification for each phase. Communication and involvement of senior line managers in MT meetings, inclusion in panels, quarterly multi-disciplinary meetings and monthly discipline meetings are encouraged, and additional technical coaching for MT's is provided by subject matter experts.

The MT Programme is structured around two objectives, namely:

1. Training:
  - To provide the MT with the necessary theoretical knowledge and practical experience required to render a quality service in his/her discipline.
2. Development:
  - To equip the MT with the necessary managerial and leadership skills and experience to perform responsibly at the senior management level within MK.

The programme is structured in four phases:



- Phase A: On-boarding and Know the Business,
- Phase B: Technical Expertise,
- Phase C: Specialised Technical Expertise, and
- Phase D: Acting or on-the-job exposure in a substantive position to gain leadership experience.

The following tables constitute 2018 to 2022 Trainee Programmes: Management Trainees Plans (MTP):



Table 2-3: Harmony Moab Khotsong MT programme 2019 -2022

HRD MTP 1: Trainee Programmes: Management Trainees Planned for 2018												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
Mining	2	0	0	0	2	0	0	0	0	0	2	2
Engineering	2	0	0	1	3	0	0	0	0	0	3	3
MRM: Geology	1	0	0	1	2	0	0	0	0	0	2	2
MRM: Survey	1	0	0	1	2	0	0	0	1	1	3	2
Metallurgy	2	0	0	0	2	0	0	0	0	0	2	2
<b>TOTALS</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>12</b>	<b>11</b>
HRD MTP 2: Trainee Programmes: Management Trainees Planned for 2019												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
Mining	2	0	0	0	2	0	0	0	0	0	2	2
Engineering	1	1	0	0	2	1	0	0	0	1	3	3
MRM: Geology	1	0	0	1	2	0	0	0	0	0	2	1
MRM: Survey	0	0	0	1	1	0	0	0	1	1	2	1
Metallurgy	2	0	0	0	2	0	0	0	0	0	2	2
<b>TOTALS</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>11</b>	<b>9</b>
HRD MTP 3: Trainee Programmes: Management Trainees Planned for 2020												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
Mining	2	0	0	0	2	0	0	0	0	0	2	2
Engineering	1	0	1	1	3	0	0	0	0	0	3	2
MRM: Geology	1	0	0	0	1	1	0	0	0	1	2	2
MRM: Survey	0	0	0	1	1	0	0	0	1	1	2	1



Metallurgy	2	0	0	0	2	0	0	0	0	0	2	2
<b>TOTALS</b>	<b>6</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>11</b>	<b>9</b>

**HRD MTP 4: Trainee Programmes: Management Trainees Planned for 2021**

	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
Mining	1	0	0	0	1	0	0	0	0	0	1	1
Engineering	1	0	0	0	1	0	0	1	0	1	2	2
MRM: Geology	0	1	0	1	2	0	0	0	0	0	2	1
MRM: Survey	0	0	0	1	1	0	0	0	1	1	2	1
Metallurgy	2	0	0	0	2	0	0	0	0	0	2	2
<b>TOTALS</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>9</b>	<b>7</b>

**HRD MTP 5: Trainee Programmes: Management Trainees Planned for 2022**

	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
Mining	1	0	0	0	1	0	0	0	0	0	1	1
Engineering	2	0	0	0	2	0	0	0	0	0	2	2
MRM: Geology	1	0	0	1	2	0	0	0	0	0	2	1
MRM: Survey	0	0	0	0	0	0	0	0	0	0	0	0
Metallurgy	1	0	1	0	2	1	0	0	0	1	3	3
<b>TOTALS</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>7</b>



## 2.5.2 Trainee Programmes: Learner Officials

The company endeavours to develop skills in line with the national skills shortage. Key national skills development priorities include developing supervisory skills. The Learner Official Programmes are internal company programmes. The Learner Official (LO) Programme of approximately three years in duration which gives non-graduates and non-diplomats the skills needed for supervisory positions such as Shift bosses. Learner Officials are appointed in critical skill areas once they have completed the programme.

The objectives of the Learner Official Trainee Programme are as follows:

a. Education and Training

- To provide all Learner Officials with the necessary theoretical knowledge, practical exposure and workplace experience required in order to obtain competency at an official level. The programme will include training courses, workplace coaching and other appropriate interventions.

b. Career development

- To equip all Learner Officials with the required skills to be considered eligible for appointment as an official into the in-house disciplines' entry level supervisory positions.

Progress along the route of the LO programme is generally competency based. The training programme schedules and sequences are therefore individualised, flexible, dynamic and learner paced. This allows a LO to display initiative, innovation and to experiment with principles learned. LO's have a Personal Training Programme and schedule and relevant experience is recognised. The LO's career progress is monitored and discussed with relevant stakeholders. The LO's training and career development follow a specific promotional route, and progress along the career route will largely depend on the individual LO proving his/her ability to perform competently in a substantive position, as well as displaying the required potential for promotion to the next level. A Learner Official participates in an accelerated learning programme that consists of both relevant courses and workplace experience in order to meet the requirements of this programme.

The programme is structured in three phases:

- Phase A: Entry requirements and Service departments,
- Phase B: Discipline specific, and
- Phase C: Supervisory development.

Training Managers are accountable to provide each LO with a discipline specific training programme with timeframes and requirements to achieve ratification for each phase. During their work integrated learning phase the LOs' are also subjected to mentorship and/or coaching. Historically it has proven challenging to attract Coloured learners to participate in the LO programme, however MK will do its best to attract such into the programme.

The following tables constitute the 2018 to 2022 Trainee Programmes – Learner Officials Plans (LOP):



**Table 2-4: Harmony Moab Khotsong LO programme 2019 -2022**

<b>HRD LOP1:Trainee Programmes: Learner Officials Planned for 2018</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
<b>Engineering</b>	2	0	0	1	3	0	0	0	0	0	3	2
<b>MRM</b>	1	0	0	1	2	0	0	0	0	0	2	1
<b>Occupational Environment</b>	2	0	0	1	3	1	0	0	0	1	4	3
<b>Safety</b>	1	0	0	1	2	0	0	0	0	0	2	1
<b>TOTALS</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>10</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>11</b>	<b>7</b>
<b>HRD LOP 2:Trainee Programmes: Learner Officials Planned for 2019</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
<b>Engineering</b>	1	0	0	1	2	0	0	0	0	0	2	1
<b>MRM</b>	1	0	0	1	2	0	0	0	0	0	2	1
<b>Occupational Environment</b>	2	0	0	1	3	1	0	0	0	1	4	3
<b>Safety</b>	1	0	0	1	2	0	0	0	0	0	2	1
<b>TOTALS</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>10</b>	<b>6</b>
<b>HRD LOP 3:Trainee Programmes: Learner Officials Planned for 2020</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
<b>Engineering</b>	1	0	1	0	2	0	0	0	0	0	2	2
<b>MRM</b>	1	0	0	1	2	0	0	0	0	0	2	1
<b>Occupational Environment</b>	1	0	0	1	2	1	0	0	0	1	3	2
<b>Safety</b>	1	0	0	1	2	0	0	0	0	0	2	1
<b>TOTALS</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>9</b>	<b>6</b>
<b>HRD LOP 4:Trainee Programmes: Learner Officials Planned for 2021</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		



<b>Engineering</b>	1	0	0	0	1	0	0	1	0	1	2	2
<b>MRM</b>	1	0	0	1	2	0	0	0	0	0	2	1
<b>Occupational Environment</b>	1	0	0	1	2	1	0	0	0	1	3	2
<b>Safety</b>	1	0	0	1	2	0	0	0	0	0	2	1
<b>TOTALS</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>9</b>	<b>6</b>

**HRD LOP 5: Trainee Programmes: Learner Officials Planned for 2022**

	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
<b>Engineering</b>	1	0	0	0	1	0	0	0	0	0	1	1
<b>MRM</b>	0	0	0	1	1	0	0	0	0	0	1	0
<b>Occupational Environment</b>	1	0	1	0	2	1	0	0	0	1	3	3
<b>Safety</b>	1	1	0	0	2	0	0	0	0	0	2	2
<b>TOTALS</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>7</b>	<b>6</b>



## 2.6 Learnership Programme for Employees

### 2.6.1 Learnerships in Mining (Level 2: Team Leader)

Harmony Gold is committed to developing skills in line with the national SA skills shortage. Key national skills development priorities include developing high-level Mining skills. The company has also implemented measures that equip and enhance the competencies of its talent pool. In this regard, the company undertakes various interventions. Group 4 to 8 Employees are engaged in learnerships, of approximately one and a half years in duration, which are aligned with the national programmes registered with the MQA, allowing the learners to gain the skills needed to become competent in chosen fields.

The plan for 2018 – 2022 will reflect some demographics of the country but, from a Mining Skills and Learnership perspective Indians, Coloureds and Whites are not reflected in the plan as it has been identified that these race groups are generally not interested in an underground mining career. It is currently the company ideal to work at ensuring that its employee profile more closely resembles that of the country's EAP and as we begin to achieve this it will impact on the gender/ethnicity breakdown of our Learnerships. Through TEBA that is assisting with the recruitment MK will continue to make an effort to recruit from local communities factoring in the EAP.

MK learnership programme supports Mining Industry Sector Skills Plans as it is offered in fields where there is a skills shortage.

The following tables constitute 2018 to 2020 Learnerships in Mining Plan (LIMP) – Level 2:



Table 2-5: Harmony Moab Khotsong employee learnerships 2018 - 2022

HRD LIMP 1:Learnerships in Mining Level 2 Planned for 2018												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	11	0	0	0	11	1	0	0	0	1	12	12
<b>TOTALS</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>12</b>	<b>12</b>
HRD LIMP 2:Learnerships in Mining Level 2 Planned for 2019												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	10	0	0	0	10	1	0	0	0	1	11	11
<b>TOTALS</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>11</b>	<b>11</b>
HRD LIMP 3:Learnerships in Mining Level 2 Planned for 2020												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	10	0	0	0	10	1	0	0	0	1	11	11
<b>TOTALS</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>11</b>	<b>11</b>
HRD LIMP 4:Learnerships in Mining Level 2 Planned for 2021												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	8	1	0	0	9	1	0	0	0	1	10	10
<b>TOTALS</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>10</b>	<b>10</b>
HRD LIMP 5:Learnerships in Mining Level 2 Planned for 2022												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	7	0	1	0	8	1	0	0	0	1	9	9
<b>TOTALS</b>	<b>7</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>9</b>	<b>9</b>



## 2.6.2 Learnerships in Mining Plan Rock Breaker (LMPRB) (Level 3: Miner)

Learner Miner Employees are engaged in learnerships, of approximately a two year duration, which is aligned with the national programmes registered with the Mining Qualifications Authority, allowing the learners to gain the skills needed to become competent as miners.

The plan for 2018 – 2022 will reflect some demographics of the country but, from a Mining Skills and Learnership perspective Indians, Coloureds and Whites are not reflected in the plan as it has been identified that these race groups are generally not interested in an underground mining career.

The following tables constitute 2018 – 2022 Learnerships in Mining Rock Breaker Plans (LIMRBP) – Level 3:



**Table 2-6: Harmony Moab Khotsong employee learnerships (Level 3) 2018 – 2022**

<b>HRD LIMRBP 1: Learnerships in Mining Rock Breaker Level 3 Planned for 2018</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	11	0	0	2	13	1	0	0	0	1	14	12
<b>TOTALS</b>	11	0	0	2	13	1	0	0	0	1	14	12
<b>HRD LIMRBP 2: Learnerships in Mining Rock Breaker Level 3 Planned for 2019</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	10	0	0	2	12	1	0	0	0	1	13	11
<b>TOTALS</b>	10	0	0	2	12	1	0	0	0	1	13	11
<b>HRD LIMRBP 3: Learnerships in Mining Rock Breaker Level 3 Planned for 2020</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	10	0	0	2	12	1	0	0	0	1	13	11
<b>TOTALS</b>	10	0	0	2	12	1	0	0	0	1	13	11
<b>HRD LIMRBP 4: Learnerships in Mining Rock Breaker Level 3 Planned for 2021</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	9	0	0	2	11	1	0	0	0	1	12	10
<b>TOTALS</b>	9	0	0	2	11	1	0	0	0	1	12	10
<b>HRD LIMRBP 5: Learnerships in Mining Rock Breaker Level 3 Planned for 2022</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	8	0	0	2	10	1	0	0	0	1	11	9
<b>TOTALS</b>	8	0	0	2	10	1	0	0	0	1	11	9



### 2.6.3 Learnerships in Engineering

The company will equip individuals with the necessary knowledge and skills to ultimately qualify as artisans. Learner artisans are engaged in learnerships, of approximately three years in duration, which are programmes registered with the Mining Qualifications Authority. The company offers the following learnerships: Rigger, Ropesman, Boilermaker, Fitter & Tuner, Electrical, Instrument Technician, Winding Engine Driver and Diesel Mechanic with a strong focus on addressing the critical and scarce skills as stated in the Form R annexured to this SLP, which covers Artisans such as Riggers, Ropesmen, Diesel Mechanics, Boilermakers and Fitters & Turners, etc. This training is done in the company's training centre which is accredited. The company offers programmes that are accredited with the MQA for specific trades in line with QCTO requirements. These programmes can be done on a modular or unit standard basis. The programmes are marketed through advertisements in newspapers, pamphlets, word of mouth, organised labour structures, business unit noticeboards, relevant Government departments and relevant Municipalities.

The following tables constitute 2018 – 2022 Learnerships in Engineering Plans (LEIP):



**Table 2-7: Harmony Moab Khotsong employee learnerships (Engineering) 2018 – 2022**

<b>HRD LIEP 1: Learnerships in Engineering Planned for 2018</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	22	1	0	2	25	2	0	0	0	2	27	25
<b>TOTALS</b>	22	1	0	2	25	2	0	0	0	2	27	25
<b>HRD LIEP 2: Learnerships in Engineering Planned for 2019</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	22	1	0	2	25	2	0	0	0	2	27	25
<b>TOTALS</b>	22	1	0	2	25	2	0	0	0	2	27	25
<b>HRD LIEP 3: Learnerships in Engineering Planned for 2020</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	22	1	1	1	25	2	0	0	0	2	27	26
<b>TOTALS</b>	22	1	1	1	25	2	0	0	0	2	27	26
<b>HRD LIEP 4: Learnerships in Engineering Planned for 2021</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	22	1	1	1	25	1	1	0	0	2	27	26
<b>TOTALS</b>	22	1	1	1	25	1	1	0	0	2	27	26
<b>HRD LIEP 5: Learnerships in Engineering Planned for 2022</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	24	1	1	0	26	1	0	0	0	1	27	27
<b>TOTALS</b>	24	1	1	0	26	1	0	0	0	1	27	27



## 2.7 Management Development for Employees

Managerial/leadership training and development is generally based on the career development plans of the employees as identified through the talent pool and succession planning processes which also links into the Employment Equity imperatives and drivers of MK. Management training is an essential part of ensuring that the company will run as productively and efficiently as possible now, and into the future with further emphasis on creating a skilled leadership base to sustain the organisation. There are several aspects of management that need to be addressed in order to ensure that Managers will be able to do the best they can in their roles. One of the most important aspects of effective management is how to engage employees to get the best outcomes from the team. Managers need to know the best way to communicate with their subordinates, to involve them in work planning and execution, and to give appropriate feedback on performance. They must know how to properly assign tasks to employees so that team productivity can be maximised. Importantly, effective leaders need to understand how to lead change, optimising processes, creating systems, and generating enthusiastic commitment among subordinates for new ways of working.

The company enters into partnerships with academic institutions and service providers in order to tailor education and training programmes to suit Moab Khotsong's and individual needs and also to promote transformation within the organisation. The Management Development plan has been derived from the region's Employment Equity plan, as obtained from the MK EE Manager. The demographic split therefore does not align with the SA national EAP ratios as it is reflective of the MK management population.

Management Development Programmes are annually reviewed according to the MK management population's need; these programmes are presented by a registered business school. Where there is a current pool of employees participating in study assistance and bursary programmes at the point of issue of the S11, Harmony will continue to support these individuals. Forward looking, all employees intending to study and advance their capabilities will conform to the Harmony Bursary and study assistance policy.

The following tables constitute the 2018 to 2022 Management Development Plans (MDP):



**Table 2-8: Harmony Moab Khotsong Management Development 2018 – 2022**

HRD MDP 1: Management Development Planned for 2018												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
Senior management	1	0	1	0	2	1	0	0	0	1	3	3
Professionally qualified and experienced specialists and mid-management	2	1	1	1	5	2	1	0	0	3	8	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	1	1	1	6	1	0	1	1	3	9	7
<b>TOTALS</b>	<b>6</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>13</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>7</b>	<b>20</b>	<b>17</b>
HRD MDP 2: Management Development Planned for 2019												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
Senior management	1	0	1	0	2	1	0	0	0	1	3	3
Professionally qualified and experienced specialists and mid-management	2	1	1	1	5	2	1	0	0	3	8	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	1	0	1	5	2	0	1	1	4	9	7
<b>TOTALS</b>	<b>6</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>12</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>8</b>	<b>20</b>	<b>17</b>
HRD MDP 3: Management Development Planned for 2020												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
Senior management	1	0	0	1	2	1	0	0	0	1	3	2



Professionally qualified and experienced specialists and mid-management	2	1	2	1	6	2	0	1	1	4	10	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2	2	0	0	4	2	1	0	1	4	8	7
<b>TOTALS</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>12</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>9</b>	<b>21</b>	<b>17</b>
<b>HRD MDP 4:Management Development Planned for 2021</b>												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
Senior management	1	0	0	1	2	1	0	0	0	1	3	2
Professionally qualified and experienced specialists and mid-management	2	1	1	1	5	2	1	1	1	5	10	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2	1	1	0	4	2	2	1	0	5	9	9
<b>TOTALS</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>11</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>11</b>	<b>22</b>	<b>18</b>
<b>HRD MDP 5:Management Development Planned for 2022</b>												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
Senior management	1	0	0	0	1	1	0	1	0	2	3	3
Professionally qualified and experienced specialists and mid-management	2	1	1	0	4	2	1	1	1	5	9	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2	1	0	1	4	2	1	1	1	5	9	7
<b>TOTALS</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>9</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>12</b>	<b>21</b>	<b>18</b>



## 2.8 Talent Pool Development

The purpose of the Talent Pool Development Subsystem is to provide all employees with the opportunity to develop to their maximum potential to meet current and future business needs. The objectives of the Talent Pool Subsystem are:

- To match individuals to appropriate roles based on current and future capability;
- To identify employee development needs in line with likely career progression and company objectives;
- To identify companywide development needs; and
- To support our individual employees in their aspirations to become the best they can be, within the scope of what is viable for the company.

The Talent Pool Development Subsystem allows the organisation to determine whether it has the talent necessary to deliver on its current and future strategic objectives. This enables the organisation to develop a pipeline of talent through which candidates can be sourced for current and future role vacancies. This will increase the effectiveness of role appointments as such decisions are more accurate when candidates are from within the organisation.

Growth of talent is facilitated, thereby providing opportunities for all employees to contribute to their full potential. Identification of potential capability, and a projection of its maturation, will enable career development programmes to be created for all employees matched to the rate at which their capability matures.

Staff Development Panels are furthermore used as an additional medium to facilitate the career development of employees through the identification of appropriate candidates and the career developmental plans resulting therefrom is the accountability of the MoR to implement.

## 2.9 Community Human Resource Development Programme (CHRDP)

The objectives of our CHRDP programmes are as outlined below:

- Contributing to the country's education initiatives and making a difference which supports government initiatives.
- Ensure development of requisite skills in respect of learnerships, bursaries (of core and critical skills), internships and other training.
- Contribute towards the upliftment of the HDSA's in line with the objectives of the empowerment legislative framework and the company's value with respect the promotion of diversity at the workplace.
- Contribute to upliftment and development of skills in the local and major labour sending communities.
- Contribute to empowerment of local and major labour sending communities through Education training and development initiatives.
- Demonstrate visible support for our host communities' interests in terms of Education.
- Contribution to the social development of host communities to promote and improve social contribution.
- Aid to improving the quality of life for our host communities through education upliftment.
- Contribute to driving the Millennium Development Goals to "achieving universal primary education."
- To promote employment and advance the social and economic welfare of mine communities



### 2.9.1 Portable Skills for the Community

The objective for providing portable skills training to the community, which may include the unemployed within close proximity of the Harmony Moab Khotsong operations, is to equip community members with a skill that will assist them to become economically active within their community and become self-sustainable.

Community members will be entitled to a once-off course at no cost to the participant. The individuals will complete specific modules and will be issued with a certificate of attendance on completion of the course due to the fact that this is a Basic Skills course. The cost of transport and accommodation is excluded and is not part of the agreement, whereas the cost of PPE (Personal Protective Equipment) and a meal is included. Portable skills training are available during and after working hours for volunteers.

The current communication channels to communicate the portable skills programme provided, is through word of mouth which includes Harmony Moab Khotsong community briefings, mandating and implementing committee structures as established with relevant Municipalities, pamphlets, organised labour and other relevant structures.

Community members are trained in portable skills such as basic plumbing, basic computer, basic house wiring, basic bricklaying, basic refrigeration, forklift, basic engine service and basic welding. In addition the community members are equipped with entrepreneurial / business skills to assist them in becoming self-employed and ultimately create more job opportunities for other community members.

The following table constitutes the proposed 2018 - 2022 Community Portable Skills Training Plans (CPSTP):



**Table 2-9: Harmony Moab Khotsong Community Portable Skills training (2018-2022)**

Summary Portable Skills Training Planned for 2018 - 2022													
	Number	Duration	Number of courses and delegates planned for Moab Khotsong per year										
	(Delegates)	(Days)	2018		2019		2020		2021		2022		
			Courses	Delegates	Courses	Delegates	Courses	Delegates	Courses	Delegates	Courses	Delegates	
Basic Welding	10	8	1	12	0	0	1	12	0	0	1	12	
Basic Wiring	10	8	0	0	1	12	0	0	1	12	1	13	
Basic Brick Laying	10	13	0	0	1	13	1	13	1	13	0	0	
Basic Plumbing	10	13	1	13	0	0	1	13	1	13	0	0	
Basic Computer	10	7	1	13	1	13	1	13	0	0	1	13	
Basic Carpentry	10	13	0	0	1	13	0	0	1	13	1	13	
Basic Engine Service	10	8	1	13	0	0	1	13	0	0	1	13	
Basic Forklift	5	8	1	8	1	8	1	8	1	8	1	8	
Basic Refrigeration	10	13	1	13	1	13	1	13	1	13	0	0	
Sewing or Cooking or Baking Courses (External	10	18	1	13	1	13	0	0	1	13	1	13	
<b>TOTALS</b>			<b>7</b>	<b>85</b>	<b>7</b>	<b>85</b>	<b>7</b>	<b>85</b>	<b>7</b>	<b>85</b>	<b>7</b>	<b>85</b>	

**Note: Basic Business Skills forms part of all the Portable Skills offerings.**



HRD CPSTP 1: Portable Skills Training Planned for 2018												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	45	0	0	3	48	37	0	0	0	37	85	82
<b>TOTALS</b>	45	0	0	3	48	37	0	0	0	37	85	82
HRD CPSTP 2: Portable Skills Training Planned for 2019												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURE	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	48	0	0	3	51	34	0	0	0	34	85	82
<b>TOTALS</b>	48	0	0	3	51	34	0	0	0	34	85	82
HRD CPSTP 3: Portable Skills Training Planned for 2020												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURE	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	40	1	1	3	45	37	1	1	1	40	85	81
<b>TOTALS</b>	40	1	1	3	45	37	1	1	1	40	85	81
HRD CPSTP 4: Portable Skills Training Planned for 2021												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURE	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	32	2	3	3	40	37	2	1	5	45	85	76
<b>TOTALS</b>	32	2	3	3	40	37	2	1	5	45	85	76
HRD CPSTP 5: portable Skills Training Planned for 2022												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	29	3	3	3	38	38	2	2	5	47	85	76
<b>TOTALS</b>	29	3	3	3	38	38	2	2	5	47	85	76



## 2.9.2 Mining Skills for the Community

The objective of the Mining skills project is to provide community members the opportunity to educate themselves by obtaining entry level knowledge and skills which will enable them to apply for a position within the mining industry and to become part of the TEBA Ltd database. TEBA Ltd is an institution who has been helping mining industry for many years in terms of sourcing labour among many other functions. Beneficiaries are given the opportunity to be trained as a member on the Stope- and Development team's category of learners. The training is done after hours at no cost to the members of the community who are enrolled on this programme. Mining community skills are marketed through the official MK communication channels.

Recruitment for the training is done via TEBA Ltd. who is required to advertise and screen candidates. Moab Khotsong will partner with TEBA to assist in attracting more Coloured, Indian and even White female learners to participate in this training programme, which has proven to be a challenge and hence it is not planned for in the 2018 to 2022 plan below.

The following constitute 2015 to 2019 Community Mining Skills Plans (CMSP):



**Table 2-10: Harmony Moab Khotsong Community Mining skills training (2018-2022)**

<b>CHRD CMSP 1: Mining Skills Training Planned for 2018</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	52	0	0	2	54	10	0	0	0	10	64	62
<b>TOTALS</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>54</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>64</b>	<b>62</b>
<b>CHRD CMSP 2: Mining Skills Training Planned for 2019</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	52	0	0	2	54	10	0	0	0	10	64	62
<b>TOTALS</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>54</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>64</b>	<b>62</b>
<b>CHRD CMSP 3: Mining Skills Training Planned for 2020</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	51	1	0	2	54	10	0	0	0	10	64	62
<b>TOTALS</b>	<b>51</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>54</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>64</b>	<b>62</b>
<b>CHRD CMSP 4: Mining Skills Training Planned for 2021</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	48	1	1	2	52	10	1	0	1	12	64	61
<b>TOTALS</b>	<b>48</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>52</b>	<b>10</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>12</b>	<b>64</b>	<b>61</b>
<b>CHRD CMSP 5: Mining Skills Training Planned for 2022</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	48	1	1	2	52	10	0	1	1	12	64	61
<b>TOTALS</b>	<b>48</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>52</b>	<b>10</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>12</b>	<b>64</b>	<b>61</b>



### 2.9.3 Community Mining Engineering Assistant Training Programme (CMEATP)

Host community members are given the opportunity to be trained as Mining Engineering Assistants on this programme. The training is done after working hours at no cost to the individuals. The communication channels used to communicate mining engineering assistant training is word of mouth. This process is enhanced through MK's formal communication and reporting structures to the community which includes MK community briefings, Mandating and Implementing committee structures as established with relevant Municipalities, pamphlets, organised labour and other relevant structures. Names of the candidates are registered and forwarded to TEBA Ltd to add to their database and for consideration. After training, the individuals have gained knowledge and some practical experience as a capable candidate that is en route towards full competency in the skill trained.

The following table constitutes the 2018 to 2022 Community Mining Engineering Assistant Training targets:



**Table 2-11: Harmony Moab Khotsong CMEAT skills training (2018-2022)**

<b>CHRD CMEATP 1: Mining Engineering Assistant Training Planned for 2018</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	34	4	1	6	45	11	0	0	0	11	56	50
<b>TOTALS</b>	34	4	1	6	45	11	0	0	0	11	56	50
<b>CHRD CMEATP 2: Mining Engineering Assistant Training Planned for 2019</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	34	4	1	6	45	11	0	0	0	11	56	50
<b>TOTALS</b>	34	4	1	6	45	11	0	0	0	11	56	50
<b>CHRD CMEATP 3: Mining Engineering Assistant Training Planned for 2020</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	32	3	2	6	44	11	1	0	1	13	57	50
<b>TOTALS</b>	32	3	2	6	44	11	1	0	1	13	57	50
<b>CHRD CMEATP 4: Mining Engineering Assistant Training Planned for 2021</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	30	2	2	5	39	14	1	1	2	18	57	50
<b>TOTALS</b>	30	2	2	5	39	14	1	1	2	18	57	50
<b>CHRD CMEATP 5: Mining Engineering Assistant Training Planned for 2022</b>												
	<b>MALE</b>					<b>FEMALE</b>					<b>OVERALL TOTAL</b>	<b>TOTAL HDSA</b>
	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN</b>	<b>WHITE</b>	<b>TOTAL</b>		
	26	2	2	4	34	17	2	1	2	22	56	50
<b>TOTALS</b>	26	2	2	4	34	17	2	1	2	22	56	50



## 2.9.4 Community Internship Programme

The company commits to provide supervised work experience which can lead to future employment opportunities for community members who are in the possession of recognised degrees or diplomas to extend the theoretical knowledge acquired through their studies in a practical job exposure. Internships are awarded on an annual basis and will not extend beyond the calendar year in which interns are appointed. During the time of internship, the intern receives a stipend as set out per budget allocation and approval by the company.

Training programmes are overseen by training specialists but are supervised by operational staff. Where appropriate, training programmes are linked to obtaining industry accreditation such as the Rock Breaker qualification or Government Certificate of Competence for Mines and Works. The initiative is marketed within communities through local newspapers and through internal communication channels, as well as the Mandating and Implementing committees established with the relevant Councils. The company will attempt to align intern demographics with the national EAP (Economically Active Population) ratios and, where this proves challenging due to unavailability of certain demographic groups, alternative HDSA groups will be prioritised. Existing technical subject matter experts within the company provide the necessary on-the-job coaching to interns. The interns are also mentored in the time served at the company.

The following constitute the 2018 to 2022 Community Internship programme (CIP):



**Table 2-12: Harmony Moab Khotsong Community Internships (2018-2022)**

CHRD CIP SUMMARY: Community Interns Planned for 2018 to 2022 Core and Non-Core Skills													
		MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
		AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
2018	Core	2	1	1	1	5	2	0	0	1	3	8	7
	Non-Core	4	1	0	1	5	4	1	2	2	9	14	16
2019	Core	2	1	1	1	5	1	1	1	0	3	8	7
	Non-Core	4	0	1	1	6	6	1	1	1	9	15	16
2020	Core	2	1	1	1	5	1	1	0	1	3	8	7
	Non-Core	4	1	0	1	6	4	1	2	2	9	15	16
2021	Core	2	0	1	0	3	2	1	1	1	5	8	8
	Non-Core	3	1	1	0	5	5	2	1	2	10	15	17
2022	Core	2	1	1	0	4	2	0	1	1	4	8	8
	Non-Core	2	1	1	0	4	6	1	1	2	10	14	17
TOTAL	Core	10	4	5	3	22	8	3	3	4	18	40	33
	Non-Core	17	4	3	3	27	25	6	7	9	47	74	70
Note:	<b>3 Non-Core Interns will be sourced yearly from the major labour sending area, which is included in the figure allocated for Non-core interns in this table.</b>												



### 2.9.5 Graduate Development Scheme-MQA Learners/Interns

The company continues to work in partnership with the MQA, industry SETA, to provide work-integrated learning for external students. Candidates must comply with the MQA criteria and fields of study are also determined by the MQA. The programme is managed at the discretion of the MQA and the five year plan is based on the assumption that the MQA scheme will run on the current basis. Internships will run for two years, as stipulated by the MQA.

Training programmes are overseen by training specialists but are supervised by operational staff. Training programmes are linked to the MQA guidelines and industry accreditation is obtained where appropriate. The project is managed by the MQA and therefore no marketing is done by MK. The company has aligned the intern demographics with the national EAP ratios as planned below. Where this proves challenging due to unavailability of certain demographic groups, alternative HDSA groups will be prioritised. Given that most candidates are selected from the MQA database and must comply with MQA selection criteria, these considerations take precedence.

Existing technical subject matter experts within the company will provide the necessary on-the-job coaching and mentoring of interns.

The following table constitute the 2018 to 2022 MQA Learnership/ Internship Plans (MQAL/IP).



**Table 2-13: Harmony Moab Khotsong Graduate Development Scheme (2018-2022)**

HRD MQAL/IP SUMMARY Graduate Develop Scheme - MQA Learners/ Interns Planned for 2018 to 2022												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
<b>2018</b>	10	1	1	1	13	8	0	0	2	10	23	20
<b>2019</b>	9	1	1	1	12	9	0	0	2	11	23	20
<b>2020</b>	8	1	1	1	11	8	1	1	2	12	23	20
<b>2021</b>	5	2	2	0	9	11	1	1	1	14	23	22
<b>2022</b>	5	2	2	0	9	10	2	2	1	15	24	23
<b>TOTAL</b>	<b>37</b>	<b>7</b>	<b>7</b>	<b>3</b>	<b>62</b>	<b>46</b>	<b>4</b>	<b>4</b>	<b>8</b>	<b>62</b>	<b>116</b>	<b>105</b>
<b>Note:</b>	<i>1 MQA Learners/ Interns will be sourced yearly from the major labour sending area, which is included in the figure allocated for MQA Learners/ Interns in this table.</i>											



## 2.10 Learnerships for the Community

### 2.10.1 Community Learnerships in Engineering

Engineering skills training will be provided to community members in our host communities to provide them with the opportunity to obtain formal qualifications, which they will then be able to apply within the mining sector. In the event that the company is unable to source community members from the host community for this program, the company would only then source individuals first from the surrounding areas. The learners will acquire skills and knowledge to the level where they have been found capable to perform the work. This will imply that they will gain theoretical knowledge as per curriculum as prescribed by MQA (Mining Qualification Authority) as well as simulated practical tasks as required by the programme. The learners must meet the criteria as set out by MK and also meet the MQA requirements to enter the community learnership programme.

Learners will be recruited from the host community where MK operates via the company's recruitment processes. The programmes are marketed through advertisements in newspapers, pamphlets, word of mouth, labour structures, business unit noticeboards, relevant Government departments and relevant Municipalities.

The company offers programmes that are accredited with the industry SETA, the MQA for specific trades in line with QCTO (Quality Council for Trades and Occupations) requirements. These programmes can be done on a modular or unit standard basis.

The company offers the following learnerships: Rigger, Ropesman, Boilermaker, Fitter & Turner, Electrical, Instrument Technician, Winding Engine Driver and Diesel Mechanic with a strong focus on addressing the critical and scarce skills as stated in the Form R, Annexure 4 which covers Artisans such as Rigger, Ropesman, Diesel Mechanic, Boilermaker and Fitter & Turner, etc. This training is done at the company's training centre which is accredited.

The following tables constitutes the 2018 to 2022 Community Learnerships in Engineering Plans (CLIEP):



**Table 2-14: Harmony Moab Khotsong Community Learnerships in Engineering (2018-2022)**

HRD CLIEP 1: Learnerships in Engineering Planned for 2018												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	19	0	0	1	20	7	0	0	1	8	28	26
<b>TOTALS</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>20</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>28</b>	<b>26</b>
<b>Note:</b>	<i>Each year 1 Learnership in Engineering learner will be sourced yearly from the major labour sending area,</i>											
HRD CLIEP 2: Learnerships in Engineering Planned for 2019												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	16	2	0	1	19	8	0	0	2	10	29	26
<b>TOTALS</b>	<b>16</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>19</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>10</b>	<b>29</b>	<b>26</b>
HRD CLIEP 3: Learnerships in Engineering Planned for 2020												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	14	1	1	1	17	10	0	1	2	13	30	27
<b>TOTALS</b>	<b>14</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>17</b>	<b>10</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>13</b>	<b>30</b>	<b>27</b>
HRD CLIEP 4: Learnerships in Engineering Planned for 2021												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	11	2	2	0	15	11	1	0	2	14	29	27
<b>TOTALS</b>	<b>11</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>15</b>	<b>11</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>14</b>	<b>29</b>	<b>27</b>
HRD CLIEP 5: Learnerships in Engineering Planned for 2022												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	10	2	2	0	14	12	1	1	2	16	30	28
<b>TOTALS</b>	<b>10</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>14</b>	<b>12</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>16</b>	<b>30</b>	<b>28</b>



### 2.10.2 Community Learnerships in Mining (Team Leader-Level 2)

The Learnerships in Mining programme will be provided to community members in our host communities to provide them with the opportunity to gain skills, which they will then be able to apply within the mining industry. The learners will acquire skills and knowledge to the level where they have been found capable to perform the work. The learners must meet the criteria as set out by MK and also meet the MQA requirements to enter this programme. These learners will be engaged in learnerships, for approximately one and a half years' duration, on national programmes registered with the Mining Qualifications Authority (MQA) allowing the learners to gain the skills needed to become competent at level two mining. MK learnerships support the sector skills plan as it is offered in fields where there is a skills shortage within our country as a whole.

The plan for 2018 – 2022 does not reflect the economically active population of the country as it has proven challenging to recruit Coloured, Indian and White female learners on this programme, however the company endeavours to implement measures to align with the national EAP as far as possible.

The following tables constitute the 2018 to 2022 Community Learnerships in Mining (Team Leader) Plans (CLIMTLP) -Level 2:



**Table 2-15: Harmony Moab Khotsong Community Learnerships in Mining (2018 -2022)**

HRD CLIMTLP 1: Learnerships in Mining Level 2 Planned for 2018												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	13	0	0	1	14	2	0	0	0	2	16	15
<b>TOTALS</b>	13	0	0	1	14	2	0	0	0	2	16	15
HRD CLIMPTL 2:Learnerships in Mining Level 2 Planned for 2019												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	13	0	0	1	14	2	0	0	0	2	16	15
<b>TOTALS</b>	13	0	0	1	14	2	0	0	0	2	16	15
HRD CLIMTLP 3:Learnerships in Mining Level 2 Planned for 2020												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	10	1	0	1	12	2	0	0	2	4	16	13
<b>TOTALS</b>	10	1	0	1	12	2	0	0	2	4	16	13
HRD CLIMTLP 4:Learnerships in Mining Level 2 Planned for 2021												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	10	1	0	1	12	2	0	0	2	4	16	13
<b>TOTALS</b>	10	1	0	1	12	2	0	0	2	4	16	13
HRD CLIMTLP 5:Learnerships in Mining Level 2 Planned for 2022												
	MALE					FEMALE					OVERALL TOTAL	TOTAL HDSA
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
	10	0	1	1	12	4	1	0	0	5	17	16
<b>TOTALS</b>	10	0	1	1	12	4	1	0	0	5	17	16



### 2.10.3 Bursaries for the Community

The Harmony bursary programme was established in 2001, principally to help historically disadvantaged matriculants with their future mining careers. There is an annual intake of 16 South African students and the focus of the bursary programme is in the technical fields of mining, engineering, ORM and metallurgy. Other disciplines outside mining core disciplines are accommodated under the Harmony community based bursary sponsorship programme as determined by the local municipalities surrounding Harmony operations. It is anticipated that Harmony will carry over 11 non-core community bursaries with an additional 3 vocational bursaries supported by Harmony.

Future planning of the Harmony bursary programme includes:

- Developing students as part of establishing a pool of academically qualified individuals in order to meet Harmony's future business needs and the needs of the local municipalities;
- A greater degree of co-operation and interaction with the bursary students and their lecturers through visits to various institutions twice a year
- Enhancement of co-operation with the lecturing and technical expertise at the universities where sponsored students are registered: the universities of the Free State, Pretoria, Stellenbosch, Johannesburg, Witwatersrand, KwaZulu-Natal and Limpopo, as well as the universities of technology of the Vaal and Cape Peninsula;
- Integration of the practical work requirements of these educational institutions and the pre- and post-graduate development programmes as required by the institutions;
- Integration and extension of supervisory and leadership programmes to all bursars prior to their involvement in middle and senior business leadership programmes;
- Active participation in the continuing professional development initiatives of the professional bodies of registration such as the Engineering Council of South Africa (ECSA);
- Synergies with existing universities, FET, governmental and non-governmental organisation (NGO) initiatives to convert, improve and sustain educational qualifications and standards for the mining industry and South Africa in general;
- Extension of financial support for education to children from the communities where Harmony operates;
- Extension of bursaries and bridging school assistance for employees' children; and
- Focus on new bursary allocations within the communities in which Harmony operates.

Moab Khotsong mine will facilitate the awarding of bursaries to deserving students annually.

#### Objectives:

To promote the tertiary education and training of three bursary students according to the strategic labour requirements of the Moab Khotsong Operations in order to develop future leaders in areas identified as core mining disciplines. Students are allocated bursaries in collaboration with the local municipalities and allowed to study towards any diploma or degree of their choice that will assist in addressing the strategic developmental needs of the municipalities surrounding Harmony.



Harmony allocates bursaries for the following core mining disciplines:

- Mining engineering
- Engineering
- Metallurgy
- ORM

**Beneficial change:**

The empowerment of three young talented South Africans with at least one 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 mindset.

**Beneficiaries:**

Three proud and 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 and relatives
- Annual applications to the Harmony bursary scheme before 30 June of each year
- Assessment of shortlisted applicants and selection through the interview process
- Formal bursary contracting with Harmony
- Commencement of formal studies
- Vocational work on Harmony operations under the guidance and support of a mentor
- On-going monitoring

## 2.11 Community Human Resource Development Projects

Over and above the Community Human Resource Development (CHRD) training and development programmes offered by the company, education upliftment projects are implemented in our host and major labour sending communities. These projects contribute to equipping educational institutions with proper equipment to function at optimal and empower learners and teachers, as well as contributes to the Maths, Science and Language improvements which are in line with the country's National Development Plan (NDP).

Such projects included and are not limited to the following:

- a. Math's and Science projects,
- b. Career Expos and/ Guidance,
- c. Schools Enrichment,
- d. Capacitation of Schools, and
- e. Further Education and Training (FET) improvements.



The budgets for these projects on an annual basis and has built into the five year SLP.

## 2.12 Employment Equity

In this section we address the Mining Charter and MPRDA requirements as detailed below. In terms of the MPRDA, REGULATION 46 (b) (v) states that:

“The contents of a Social and Labour Plan must include a human resources development programme which must include the employment equity statistics which must be completed in the form of “Form S” contained in Annexure II and the mines plan to achieve the 10 percent women participating in mining and 40 percent historically disadvantaged South Africans (HDSA) participation in management within 5 years from the granting of the right or the conversion of the old order right”.

In terms of the Mining Charter the requirements are as stated below:

The original Mining Charter scorecard which was designed to measure compliance requires the company to put in place measures to answer the following questions:

- Has the company published its employment equity plan, and reported on its annual progress in meeting that plan?
- Has the company published a plan to achieve a target for HDSA participation in management of 40% within five years, and is implementing this plan?
- Has the company identified a talent pool and is it fast tracking it?

**The 2010 BROAD-BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER of the SOUTH AFRICAN MINING and MINERALS INDUSTRY** requirements with regards to Employment Equity is stated as follows:

“Workplace diversity and equitable representation at all levels are catalysts for social cohesion, transformation and competitiveness of the mining industry. In order to create a conducive environment to ensure diversity as well as participation of HDSA at all decision-making positions and core occupational categories in the mining industry, every mining company must achieve a minimum of 40% HDSA demographic representation at:

- Executive Management (Board) level by 2014;
- Senior management (EXCO) level by 2014;
- Core and Critical skills by 2014;
- Middle management level by 2014; and
- Junior management level by 2014;

In developing this 2018 - 2022 EE Plan, we have taken into account the principles as outlined in the 2013 EE Act and its Regulations, the 2013 BBBEE Act and Codes, as well as the MPRDA, in particular the definition of HDSA which has now been aligned to that of the BBBEE codes.

In order to consistently advance the objectives of EE Transformation principles within the company, the approach adopted in this SLP is mainly in terms of the guidelines and principles as contained in the 2013 EE Act and Regulations, in particular the adoption of the Economically Active Population (EAP), both National and Regional as a guide in developing the targets per demographics.



To this end the Employment Equity Plans have been prepared in accordance with Section 20 (2) (a-h) of the Employment Equity Act 55 of 1998 and its amended Act, the MPRDA Act 2002 and in accordance with the Harmony Moab Khotsong business principles and strategy.

The plans were prepared in consultation with all relevant stakeholders, including Trade Unions operating within our company. The objectives of employment equity program at Moab Khotsong are to ensure that the company's workforce is in the long run representative of the demographics of the country and to promote diversity at the workplace. The Company re-affirms its commitment to achieve equity in the workplace by promoting equal opportunity and fair treatment in employment.

To this end, appropriate Affirmative Action measures to advance the above objectives will be taken. The following affirmative action measures will be taken in order to achieve the above stated objectives:

- Initiatives to eliminate unfair discrimination in employment;
- Recruit and select suitably qualified individuals from the designated groups;
- Advance employees from designated groups who have been identified in the talent pool and to fast track them through focused training and development programmes.
- Remove the barriers identified in accordance with Section 19 of the EE Act Audit report.
- Ensure that the objectives of the employment equity plan would not establish an absolute barrier to the prospective or continued employment or advancement of people who are not from designated groups.

In developing its EE Plan, the company also took into consideration its obligations under the Employment Equity (EE) Act No 55 of 1998 under which a subsequent Employment Equity Plan was developed and submitted to the Department of Labour (DoL) in October 2013. The company EE Plan was developed in terms of Section 20 of the Employment Equity Act. Consideration was also given to the Broad-based Black Economic Empowerment Act and Codes of Good Practice in developing the DoL EE Targets. Much as the DoL Plan targets are not a requirement in terms of the Mining Charter, the Moab Khotsong Operations will continue to strive to achieve such targets in support of the company's commitment to its values and in the spirit of transformation and align the EE Plans to the Mining Charter which is required by the MPRDA.

Moab Khotsong Operations employment equity details as at October 2017 are shown below (in terms of regulation 46(b)(v) of the SLP of the MPRDA.



**Table 2-16: Harmony Moab Khotsong Employment Equity profile**

HARMONY MOAB KHOTSONG INCLUDING CORPORATE OFFICE												
Occupational Levels	DESIGNATED							NON-DESIGNATED			Total	Actual % HDSA
	Male			Female				Male	Foreign National			
	A	C	I	A	C	I	W		Male	Female		
Senior Management	10.6%	2.4%	3.5%	4.7%	0.0%	2.4%	11.8%	57.6%	5.9%	1.2%	100%	35.3%
Middle Management	15.8%	2.6%	2.2%	5.8%	1.0%	1.2%	18.2%	50.4%	1.7%	1.2%	100%	46.8%
Junior Management	34.3%	1.2%	0.0%	9.1%	0.5%	0.3%	8.1%	39.1%	7.2%	0.1%	100%	53.5%
Semi-skilled	53.2%	0.4%	0.0%	11.5%	0.3%	0.0%	1.4%	2.1%	30.7%	0.1%	100%	67.0%
Un/skilled & Def. dec. making	54.8%	0.4%	0.0%	15.1%	0.0%	0.0%	0.0%	0.8%	28.0%	0.8%	100%	70.3%
<b>Total Permanent</b>	<b>49.6%</b>	<b>0.6%</b>	<b>0.1%</b>	<b>12.6%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>2.4%</b>	<b>9.2%</b>	<b>24.7%</b>	<b>0.5%</b>	<b>100%</b>	<b>65.6%</b>
Non-Permanent Employees	11.1%	0.0%	0.0%	22.2%	5.6%	2.8%	25.0%	30.6%	2.8%	0.0%	100%	66.7%
<b>GRAND TOTAL</b>	<b>49.5%</b>	<b>0.6%</b>	<b>0.1%</b>	<b>12.6%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>2.5%</b>	<b>9.3%</b>	<b>24.6%</b>	<b>0.5%</b>	<b>100%</b>	<b>65.6%</b>



### 2.12.1 Core and Critical Skills

The targets as set in the Amended Mining Charter of 2010 for Core and Critical skills are as follows:

- 15% by end of 2010
- 20% by end 2011
- 30% by end 2012
- 35% by end 2013; and
- 40% by end 2014.

### 2.12.2 Women in Mining

The company’s employment equity plan for the Moab Khotsong Operations includes women representation in the total workforce. The integration of women into the entire workforce and initiatives which are aimed at creating a conducive environment for women is firmly embedded in the Moab Khotsong Operations.

The Moab Khotsong Operation has progressed significantly towards achieving the 10% target women in mining as set by the Mining Charter by exceeding the target in achieving 14%.

Notwithstanding the fact that the mining environment remains challenging for women, the Moab Khotsong Operation has adopted a variety of initiatives to support the integration of women such as (i) change houses for women, (ii) promoting an environment free from sexual harassment, (iii) private and secure ablution facilities underground, (iv) working with industry to address issues of protective clothing for women, (v) Skills Development initiatives within the core and critical skills for women and (vi) ensuring security of women underground.

The following graph and table reflects the total numbers with respect to Women in Mining in the Moab Khotsong Region as at October 2017.

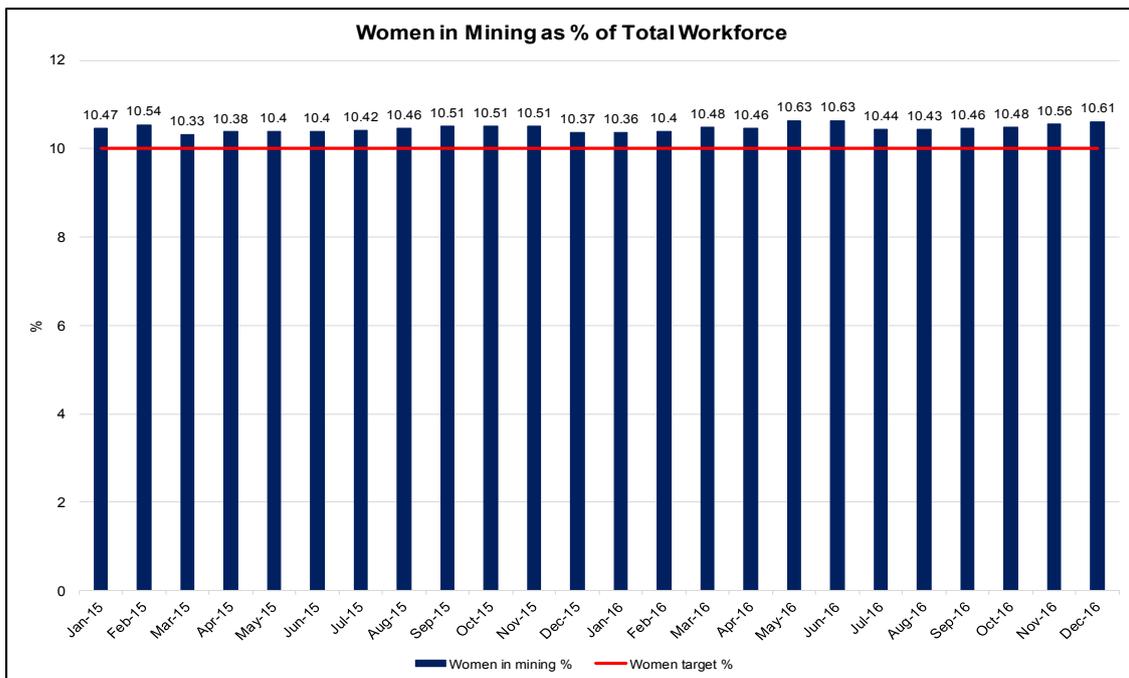


Figure 2-1 Moab Khotsong Women in Mining Statistics from January 2015 to December 2016



### 2.12.3 Scarce Skills

The company's skills development and employment equity strategies are aimed at achieving a demographically representative workforce. To this end, the company's strategy in this regard is guided by the provisions of the Skills Development and Employment Equity Acts in terms of both planning and reporting, including with respect to "Core and Critical skills". Through the company's participation and collaboration with (i) the Mining Qualification Authority, (ii) compliance with its obligations pertaining to the Workplace Skills Plan and the Annual Training Report, (iii) conducting of skills audits and (iv) initiatives to identify scarce and critical skills (through participation in the Sector Skills Plan and Scarce Skills initiatives) intensive attempts are made to improve the HDSA representivity in all core and critical skills occupations which is still lagging due to the skills challenges faced by the industry in this respect.

The Human Resources Development interventions to address the abovementioned challenges include a variety of initiatives such as

- (i) Management Trainee Programmes,
- (ii) Bursary Schemes,
- (iii) Trainee Programmes, and
- (iv) Learnerships which is contained in the HRD section of this SLP.

The following table reflects a list of positions identified as scarce skills.



**Table 2-17: Moab Khotsong scarce skills**

TOTAL CRITICAL AND SCARCE SKILLS		
DISCIPLINE	POSITION	OCCUPATIONAL LEVEL
Mining	Production/General Managers	Senior Management
Mining	Mining Engineers	Middle Management
Mining	Section Managers	Middle Management
Mining	Mine Overseers	Middle Management
Engineering	Engineering Managers	Senior Management
Engineering	Engineers - Electrical, Mechanical, Rock Engineers,	Middle Management
Engineering	Senior Rock Engineering Officers	Middle Management
Engineering	Artisans - Riggers, Diesel Mechanics, Instrument Technicians, etc.	Junior Management
Engineering	Winding Engine Drivers	Junior Management
MRM	MRM Managers/Geosciences Managers	Senior Management
MRM	Senior Geologists	Middle Management
MRM	Senior Surveyors/Evaluators/Planners	Middle Management
MRM	Mine Planning Technician	Middle Management
MRM	Draughtsperson	Middle Management
Metallurgy	Metallurgical Engineers	Middle Management
Metallurgy	Metallurgical Plant Managers	Middle Management
Metallurgy	Metallurgists	Middle Management



### 3 Local Economic Development Programme

As per Regulation 46(c): Local economic (LED) 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)(a): Key economic activities of the area in which the mine operates
- Regulation 46(c)(ii)(b): Impact of the mine in local and labour-sending communities
- Number of jobs created and persons benefitting
- Other socio-economic impacts
- Regulation 46(c)(iii): Infrastructure and poverty eradication projects in the local and labour-sending areas
- Co-mine with the local municipality
- Job creation
- Infrastructure development
- Poverty alleviation
- Care of the environment
- Non-financial assistance
- Role of Harmony in national sustainable development
- HIV/Aids
- Regulation 46(c)(iv): Housing and living conditions
- Regulation 46(c)(v): Measures to address nutrition
- Regulation 46(c)(vi): Procurement progression plan

#### 3.1 Introduction

Harmony's Moab Khotsong Operation's 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. Section 3 of the SLP will consider various issues on LED around the mining community and the labour-sending areas of the Moab Khotsong Operation's.

Section 3.2 deals with Harmony's approach to LED. In this section the principles guiding Moab Khotsong's LED support in the mining and labour-sending communities are identified and described; some of the examples of the current Moab Khotsong socio-economic development projects, Moab Khotsong CSR approach, the distinction between CSR and LED projects, LED programmes in the labour-sending communities, and lastly responsibility and reporting on the SLP and in particular progress on the implementation of LED programmes supported by Moab Khotsong.

Sections 3.3 to 3.5 covers the socio-economic background and key economic activities of the Moab Khotsong mining community.

Two areas will be covered:



- Matlosana Local Municipality
- OR Tambo District Municipality

Section 3.12 shows the impact of Harmony Moab Khotsong mine in the mining and labour-sending community.

Section 3.14 identifies and describes the LED projects that will be supported by Moab Khotsong Operations in the mining community and major labour-sending community.

### 3.2 Harmony’s approach to LED

Harmony are committed to the sustainable socio-economic development and well-being of the communities in which we operate and from which we draw our employees. As mining operations have a limited lifespan, our strategic objective is to remain relevant to mining and labour-sending communities by contributing to community development that is sustainable long after mining operations have ceased.

Establishing and maintaining positive relationships with host communities is important in ensuring our licence to operate. Ongoing engagement with communities is necessary to understand, manage and respond to community concerns and expectations.

Harmony’s corporate social responsibility (CSR) policy for our South African operations recognises the need for socio-economic development in the country, starting with the broader communities in which we operate, as well as our labour-sending communities – Lesotho, Eastern Cape Province and Mozambique. This policy includes local economic development (LED) initiatives executed in terms of the Mining Charter, MPRDA regulations and codes of good practice for the minerals and mining industry.

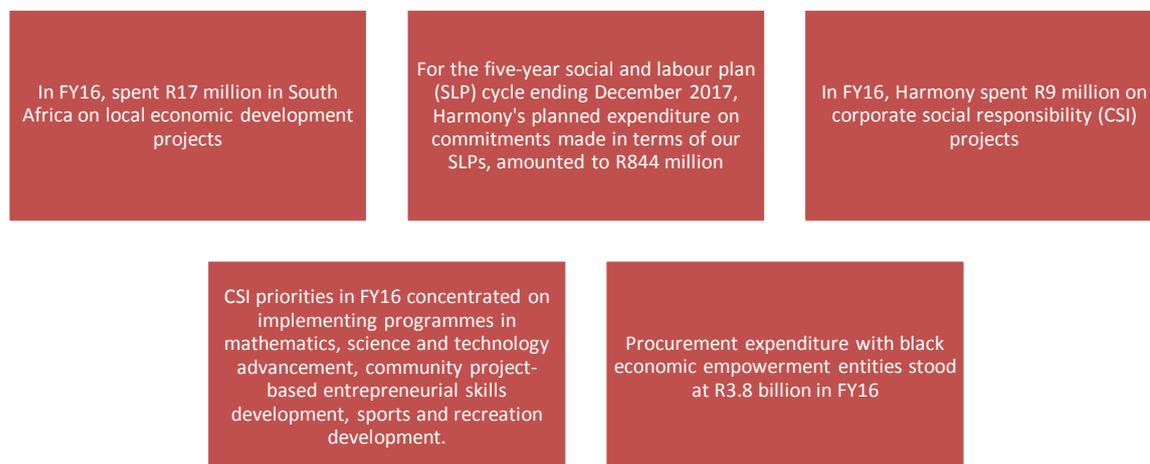


Figure 3-1: Harmony’s LED achievements and contributions

### 3.3 LED support in the mining and labour-sending communities

Harmony approaches the issue of LED through the local governments and municipal authorities. Each mine 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



mineral initiatives in the field of economic development are formulated and implemented as an integral part of the local authorities' economic and integrated development plans.

In addition, Harmony liaises with the local governmental structures and municipal authorities in the labour- sending communities to ensure that group development initiatives are also integrated into the economic and development plans of those areas.

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

### 3.4 LED focus areas

The focus areas for LED support include the following:

- Infrastructure development;
- Poverty alleviation;
- Community development;
- Employment or job creation;
- Economic growth triggers or enablers.

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.

### 3.5 LED support drivers

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

- IDP and or LED 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 structures with LED partners, these are bilateral and stakeholder forum structures.

### 3.6 LED ownership

Moab Khotsong'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 governments (municipalities)
- Provincial governments



- National governments

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

### 3.7 Moab Khotsong's LED responsibilities

As a responsible corporate citizen Moab Khotsong, together with other private sector entities that embrace corporate citizenship, do not believe the task of LED as being solely that of government but believes LED is an integral part of its business and achieves this by:

- Running profitable and sustainable mining operations that create employment opportunities, boost local economies through support 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.

### 3.8 Business approach to LED

In line with all business activities within Harmony, business principles are applied to LED support. This is achieved by ensuring a return on each LED investment (ROI) 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, a reduction in poverty, better skills in the community, and increased participation in the economy by community members.
- **Development:** Each LED project supported must have its primary objective to development 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 Moab Khotsong Operation's will be to always exceed legal requirements in line with its corporate citizenship strategy.

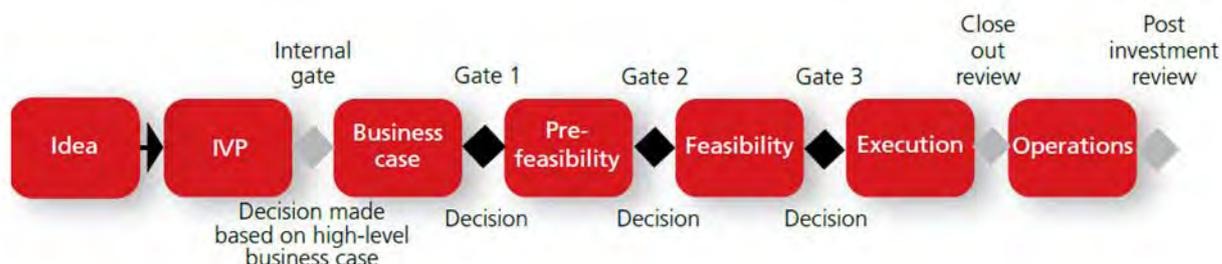
### 3.9 Project management principles

Project management and measurement is a one of the key focus areas within Harmony. 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 opportunity.



Harmony manages investment opportunities and projects using a formalized 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 Company.

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 summarized as such:



This approach applies to all projects in which Harmony invests. Our LED partners will 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 will also provide project management capacity to monitor LED projects and to ensure that professional project management principles are followed as part of the implementation of this SLP.

### 3.10 LED Projects in the SLPs

The LED projects contained in this SLP for Moab Khotsong Operations will follow 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 of 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 in the MPRDA and the MPRDA regulations.
- The review of LED projects will be frequent and continuous, with all stakeholders playing a role including but not limited to municipalities, Harmony, and the DME.



### 3.11 Consultations with the stakeholders

As required by Regulation 46 of the MPRDA and according to the SLP Guidelines, the Mining company must, in developing its SLP, co-operate in the formulation and review of the IDP's of the areas with which it operates and in its major Labour Sending Areas and ensure that consultation with host and Labour Sending Areas communities takes place.

The following is a brief outline of the company's consultation process followed in developing this SLP:

- The Future Forum (FF) was consulted on the 26 August and 25 September 2014. A letter confirming the final LED projects following the consultations with the relevant stakeholders was sent to the various recognised unions on the 24 October for their input before 28 October 2014. Sufficient consensus was reached with the exception of the request to extend the LED projects to all Labour Sending Areas. The company has indicated that the approach adopted is informed by the requirements of the Mining Charter to focus its projects in the Major Labour Sending Areas, in our case OR Tambo District Municipality and the practical challenges of dealing with the various Local and District Municipalities. However, in order to accommodate this proposal the company has added an LED project for Amatole District Municipality, which is its second Major Labour Sending Area and has also committed itself to cover all other Labour Sending Areas to the extent possible through its SID Fund financial provisions.
- OR Tambo District Municipality, the Eastern Cape Department of Education and that of Health, were consulted on the 4 September 2014, respectively. Agreement was subsequently reached on the projects for the LSA and a written confirmation to this end sent to the OR Tambo District Municipality on the 22 and 23 October 2014 respectively. The Executive Mayor subsequently indicated her satisfaction with the SLP projects and programmes in writing to the company on 28 October 2014.
- Matlosana Local Municipality was consulted on 9 September 2014 at a Special Mandating Committee meeting. This was followed by written correspondence from the Municipality and the company with respect to the LED Projects. The company has, after due consideration of the Municipality's proposal and the above-mentioned guiding principles, informed the Municipality in writing regarding the final LED projects for the Matlosana Local Municipality for the period 2015-2019 to be submitted to the DMR for approval. The three projects that could not be accommodated by the company were with respect to the renovation of the Fresh Produce Market in Klerksdorp as this was rejected by the DMR in 2011, the Upgrade of the Municipal substation in Joreuberton which falls squarely within the accountabilities of the Local Municipality and the provision of Bulk Infrastructure at the still to be established Meat Processing Plant which the parties have agreed in terms of this project's MOU that the Municipality shall financially provide for.
- The District Department of Education was consulted by the company on the 09 September 2014 and a list of priority school projects discussed with the company. The company has agreed to include several of the education infrastructures in Matlosana Local Municipality schools in the SLP for 2015-2019.
- The Matlosana Community Forum comprising NGO's, SMMEs and other community organisations' representatives was briefed and consulted on 18 September 2014. Positive feedback was received from the consultations and inputs were incorporated into this SLP.
- The Moqhaka District department of Education was consulted on the choice of the education project in Moqhaka, given that the efforts of the company to sign an MOU with the Municipality



from 2011 failed to materialise, despite all the efforts from the company to forge a similar relationship to the Matlosana Municipality and the difficulties experienced with the Municipality in implementing the 2010 2014 LED Community Hall project in Moqhaka.

- The DMR was also consulted on the 17th of September 2014 immediately after their meeting with the Matlosana Local Municipality to give guidance with respect to the process leading to the completion of this 2015-2019 SLP submission.

### **3.12 Socio-economic background and key economic activities of the Harmony Moab Khotsong mining community**

This Section will cover the social and economic background of the Moab Khotsong mining community.

The Moab Khotsong Operations are located within Matlosana local Municipality and our largest labour sending area is OR Tambo district municipality. The socio- economic information of Matlosana and OR Tambo municipalities are summarised below respectively.

A Memoranda of Agreement has been entered into with all the municipalities in which we committed to deliver Local Economic Development Projects, namely, Merafong, Matlosana and OR Tambo District Municipality. Subsequently, Mandating Committees were established and Implementing Committees (comprising senior management from the company and municipalities) which committed to meet at least once in a quarter.

Partnerships with recognised unions have also been fostered, namely, the National Union of Mineworkers (NUM), Association of Mineworkers and Construction Union (AMCU), Solidarity and United Association of South Africa (UASA), all of which are part of the established Future Forums which also meet on a quarterly basis to monitor and evaluate the performance of Moab Khotsong's against the Mining Charter and SLP commitments as well as deliberating on issues impacting the future of the business.

Strategic partnerships with various organisation have been entered into. The first partnership we is with the Development Bank of South Africa's (DBSA) Jobs Fund with respect to the establishment of the Enterprise Development Centres (EDC) in Merafong, Matlosana and OR Tambo. This joint project will run for a period of three years from the date of signature, beginning with the OR Tambo EDC followed by Merafong and Matlosana.

#### **3.12.1 Socio-economic background and economic activities of municipalities**

This section consists of a brief overview of Moab Khotsong Operations social and economic context.

##### **Matlosana Municipality**

City of Matlosana Local Municipality is located in the North West Province, within the Dr Kenneth Kaunda District Municipality. The municipality is almost 356 698 hectares in extent, of which 32% is developed. The Moab Khotsong operations are located in close proximity to Khuma/Stilfontein and Orkney/Kanana communities in the North West Province. The Moab Khotsong operations are located in close proximity of Khuma and Kanana communities in the North West Province. These communities are under the Jurisdiction of the City of Matlosana Local Municipality in Dr Kenneth Kaunda District Municipality-North West Province .The Matlosana municipality comprises the following areas: Klerksdorp, Stilfontein, Orkney and Haartebeesfontein. It is a category B Municipality by the Municipal Demarcation Board, in terms of section 4 of the Local Government Municipal Structures Act, 1998.

##### **a) Demographics of Matlosana**



City of Matlosana has a low population density of 1, 1 people per hectare; largely due to 67% of the Municipality not being developed. City of Matlosana has a population 398 675 people (StatsSA, 2011). Although the population density has increased since 2002, it is still well below the metro average. By 2020, the population of City of Matlosana Municipality is expected to be 442 667 people in City of Matlosana are relatively poor with almost 55% (of the economically active population) earning no income at all. There has been significant growth in the income bracket earning between R 3500 and R 12800/month - a clear signal for rental or gap market housing options. From 2001 - 2011, the % people earning less than R3500/month reduced to:-0, 75% per annum. From 2001 - 2011, the %people earning between R3500 to R12801/month grew at: 8, 51% per annum.

#### **b) Education levels**

13% of adult population in Matlosana has completed grade 12 as their highest level of education, while 5% had some of tertiary/higher education while 12% of adult population had no schooling.

#### **c) Economic output**

The dominant economic sector in City of Matlosana is clearly general government, which contributes to more than 26, 14% of the GDP of the municipality. The industry employs more than 13% of City of Matlosana's people. All other economic sectors contribute less than 15% each of the GDP of City of Matlosana's. The city of Matlosana plays a major role in the mining economy. It has been identified as one of the distressed mining towns in South Africa and the President of the Republic of South Africa has included it into the Special Presidential Package. It is the economic hub of the North West Province. The single largest contributor to the Gross Domestic Products (GDP) in the City of Matlosana is general government, which contributes to more than 26, 14% of the GDP of the municipality followed by the Mining and construction sector. The importance of the mining sector the City of Matlosana and the Province cannot be understated. After mining the largest sector is manufacturing and business services. Transport and communication is also a significant contributor to the economy for the period 2001 to 2005.

The other two large sectors showing strong growth of above 4, 5% per annum for the same period were the finance and business services; wholesale and retail trade as well as catering and accommodation sector. The agricultural sector has revealed strong GDP growth of 4, 75% per annum for 10 year period.

#### **d) Education**

Employment is the major issue in the City of Matlosana, as evidenced by the fact that 34.4% of the working age population being unemployed according to the strict definition of unemployment. The City of Matlosana nevertheless makes an important contribution to employment accounting for nearly half of total employment in Dr Kenneth Kaunda District Municipality (47.4%) The vast majority of employment in Klerksdorp, nearly 80%, lies in the formal sector of the economy. However, the informal sector contributes substantially (15%) to employment in the City of Matlosana.

#### **e) Employment**

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economically active (employed and unemployed but looking for work) people in the municipality, 32, 7% are unemployed. There are 11 311 discouraged work-seekers in the municipality. The Census 2011 states that of the people aged 15–34, 44 305 are employed, 33 500 are unemployed and there are 7 199 discouraged work-seekers among the youth.

City of Matlosana local economic development (LED) strategy in 2014-2019 adopted in May 2014 (Council Resolution 249/2014) has identified five strategic choices for implementation as follows:

**Table 3-1: Five strategic choices for implementation**

<b>Strategic economic choice 1</b>	Specialized sector and investment support	In order to grow business the City of Matlosana must provide the necessary conditions for economic sector growth, ensuring that the identified sector is adequately equipped for investment and to make an impression of the global market.
<b>Strategic economic choice 2</b>	Spatial integration and efficiency of priority nodes and corridors	A reduction in inequality entails the pursuit of pro-poor local economic development initiatives at a city-wide and community level, ensuring that there is spatial integration of investment for local economic development.
<b>Strategic economic choice 3</b>	Strategic industry skills development	To reduce unemployment, focus should be on increasing the employability and productivity of individuals in key sectors will ensure that employment is market guided and informed.
<b>Strategic economic choice 4</b>	Strategic economic infrastructure development	The improvement in business confidence will be ensured when localities are adequately resourced to benefit from economic growth.
<b>Strategic economic choice 5</b>	Specialized enterprise development and innovation support for emerging and informal businesses	Broad-based black economic empowerment (BBBEE) will be achieved by providing a higher level of support to previously disadvantaged individuals, and businesses to engage with markets through product and service sustainability. In order to achieve this in a shorter period of time, the delivery of cutting edge research and development services to stimulate local entrepreneurship and market access is a requirement.

### **OR Tambo District Municipality**

The Eastern Cape represents one of Moab Khotsong's major labour Sending areas and to a lesser degree, with countries such as Lesotho and Mozambique. For the purpose of this SLP and the Mining Charter requirements, focus is on the Eastern Cape and in particular the OR Tambo District Municipality. This does not mean that Moab Khotsong only focuses in OR Tambo. The company supports/contributes to projects in many other parts of the Eastern Cape and Kwa Zulu Natal including labour sending areas in Lesotho, Mozambique and Swaziland. The socio-economic information of OR Tambo Municipalities are summarised below. For the South African operations the OR Tambo District municipality is the largest labour sending communities. The OR Tambo district is located in the Eastern Cape; it covers 80 per cent of what used to be known as Transkei, and comprises five local municipalities as follows:

- King Sabatha Dalindyebo Local Municipality;
- Nyadeni Local Municipality;
- Port St John's Local Municipality;
- Ngquza Hill Local Municipality;



- Mhlontlo Local Municipality

The municipality is largely rural in character with 68 per cent unemployment of economically active persons. It is estimated that 72 per cent of the population live in poverty. Community services, wholesale and retail trade sector and financial services are key economic drivers in the district. As in Matlosana area the company contracted external consultants' viz. Bigen Africa to conduct Economic scans on the OR Tambo Municipality as well. The findings which are in line with the priorities set out in the municipalities IDP reflecting that Agriculture is an important sector to anchor Economic Development.

The following table shows the results of the economic scan which was conducted by consultants Bigen Africa and the project rating of possible projects:

**Table 3-2: Economic Scan as conducted by consultants Bigen Africa in OR Tambo**

Economic Sector	Project	Score
Agriculture(Including Fishing)	Processing of essential oils	73.75%
	Development of fishing industry in the Wild Coast (includes Mari culture, Aquaculture and Fisheries)	61.75%
Forestry	Establishment of forestry development nodes throughout the district	73.25%
	Extensive forestation throughout the district	65.75%
Tourism	Integrated development of Port St John's as a tourism node	80%
	Upgrading of Mthatha airport	70.25%
	Development of Bizana heritage route	66%
Mining	Clay mining at Malungeni	72.75%
	Sand mining and quarrying in Ntabankulu	68.25%
Manufacturing	Umzikantu red meat abattoir and meat processing plant	73.75%
	Processing of agricultural produce through packaging, canning, juice extraction, jam making and other methods	69.25%
	Dairy processing	69.25%
	Tannery and leather goods related to beef abattoirs	66%

### 3.13 Impact of Moab Khotsong Operations on mining communities

Moab Khotsong provides employment to 6 480 people (permanent employees and contractors) who provide various services to the mine. The average monthly salary of a mineworker is about R8 327.00 and it has been determined that approximately half (R4 164.00) of this is spent in the mining community.

Harmony's procurement policy will help to increase this contribution to the local economy by promoting local procurement. Additionally, local procurement will promote the employment of people living in the region by local supplier businesses and, therefore, add to the disposable income of families in the community.



The impact of this SLP, through the LED projects and interventions, on the mining and labour-sending communities includes the following:

- The provision of low-cost housing;
- Small, medium and micro enterprise development;
- Education infrastructure-development programmes;
- Job creation through environmental rehabilitation programmes;
- The policy of local recruitment to create local employment;
- Community skills-development programmes to develop the portable skills needed to start small businesses or find new employment;
- Internship programmes that will enable local students to complete their tertiary education;
- A bursary fund that will make it possible to develop the skills needed for effective running of municipalities;
- Preferential procurement that will promote local procurement and, therefore, local job-creation opportunities.

### 3.14 Moab Khotsong Operations LED projects

The budget for 2018-2022 SLP for the Moab Khotsong Operation is R47.2 million, based on the funding model which requires Harmony to base its Socio-economic Development Budget on the NPAT of around 1% as forecasted for the next five years. As a broad guideline, the host communities were allocated around 80% of the budget while approximately 20% of the budget was allocated to the communities in the company's major Labour Sending Areas.

As stipulated in the DMR SLP Guidelines, LED projects to be implemented by the mining companies should be classified into the following categories:

- (i) Infrastructure projects
- (ii) Poverty eradication projects
- (iii) Community development
- (iv) Income generating

LED budget for 2018-2022 is predominantly infrastructure based. The breakdown comprises R22.1m for education, R12.6m for income generation, R4.5m for health, R4m for sports and recreation and R4 million for education.

**Table 3-3: LED projects per sector for the 2018-2022 Moab Khotsong SLP: Education**

Project Name	Sector	Location	Year	Budget
<b>LEDP3:</b> Building and equipping of Physical Science Lab at Dirang Ka Natla Secondary School	Infrastructure - Education	Khuma	2019	R1.9m
<b>LEDP11:</b> Building of 5 classrooms, ablution facilities and Computer Lab Atamelang Primary School	Infrastructure - Education	Kanana	2022	R3.0m



<b>LEDP5:</b> Building of 5 Classrooms, ablution facilities and Computer lab at Sediko Primary School	Infrastructure - Education	Jouberton	2020	R3.0m
<b>LEDP6:</b> Building and equipping of Physical Science Lab Tshedimosetso Secondary School	Infrastructure - Education	Jouberton	2020	R1.9m
<b>LED10:</b> Matlosana Schools Hall	Infrastructure - Education	Jouberton	2022	R3.4m
<b>LEDP7:</b> Building and equipping of Physical Science Lab at Kgolaganyo Secondary School	Infrastructure - Education	Rammolotsi	2020	R1.9m
<b>LEDP12:</b> Refurbishment and equipping of a 2 Physical Science Labs and 2 Social Science Labs	Infrastructure - Education	Alabama	2022	R2.0m
<b>LEDP13:</b> Replacement of a Mud School by building of 6 Classrooms, admin block, Early Childhood Development Centre and ablution facilities.	Infrastructure - Education	Amatole District	2022	R5m
<b>Total LED Budget: Education</b>	<b>R22.1 million</b>			

**Table 3-4: LED projects per sector for the 2018-2022 Moab Khotsong SLP: Income Generation**

Project Name	Sector	Location	Year	Budget
<b>LEDP2:</b> Continuation of the Vaal River Agricultural Project	Income Generating	Motlasana Municipality	2018-2019	R2.6m (2 years)
<b>LEDP4:</b> Establishment of an Agricultural Project	Income Generating	Tsolo (ORT)	2019-2022	R10m (4 years)
<b>Total LED Budget: Income Generation</b>	<b>R12.6m (over 5 years)</b>			

**Table 3-5: LED projects per sector for the 2018-2022 Moab Khotsong SLP: Health**

Project Name	Sector	Location	Year	Budget
<b>LEDP9:</b> Building of a Primary Health Centre	Infrastructure -Health	Qumbu (ORT)	2021	R4.5m
<b>Total LED Budget: Health</b>	<b>R4.5 million</b>			

**Table 3-6: LED projects per sector for the 2018-2022 Moab Khotsong SLP: Sports and Recreation**

Project Name	Sector	Location	Year	Budget
<b>LEDP8:</b> Khuma Sports and Recreation Complex. Upgrading of the sports facilities including revamping of ablution facilities and construction of an Athletic Track and Fields in Khuma	Sports and Recreation	Khuma	2021	R4.0m
<b>Total LED Budget: Sports and Recreation</b>	<b>R4 million</b>			

**Table 3-7: LED projects per sector for the 2018-2022 Moab Khotsong SLP: Infrastructure**

Project Name	Sector	Location	Year	Budget
<b>LEDP 1: Community Development</b> Contribution towards land acquisition and /or contribution towards bulk infrastructure development in Khuma	Infrastructure	Khuma	2018	R4.0m
<b>Total LED Budget: Infrastructure</b>	<b>R4 million</b>			



**Table 3-8: Summary of Moab Khotsong LED projects (2018 -2022)**

Year	2018	2019	2020	2021	2022
<b>Budget</b>	<b>R6.0m</b>	<b>R11.9m</b>	<b>R6.8m</b>	<b>R8.5m</b>	<b>R13.4m</b>
<b>Projects 2018 - 2022</b>	<p><b>LEDP1: Community Development</b> Contribution towards land acquisition and /or contribution towards bulk infrastructure development in Khuma by June 2017 = <b>R4m</b></p> <p><b>LEDP2:</b> Continuation of the Vaal River Agricultural Project = <b>R2.6m (over 2 years)</b></p>	<p><b>LEDP3: Building and equipping of Physical Science Lab</b> in Dirang ka Natla Secondary School in Khuma = <b>R1,9m</b></p> <p><b>LEDP4: Establishment of an Agricultural Project</b> in Tsolo – <b>R10.0m (over 3 years)</b></p>	<p><b>LEDP5: Building of 5 Classrooms, ablution facilities and Computer lab</b> at Sediko Primary School in Jouberton =<b>R3m</b></p> <p><b>LEDP6:</b>Tshebedisano Secondary School in Jouberton - (Social Science Lab)= <b>R1,9m</b></p> <p><b>LEDP7: Building and equipping of Physical Science Lab</b> at Kgolaganyo Secondary School at Rammolotsi = <b>R1.9m</b></p>	<p><b>LEDP8: Khuma Sports and Recreation Complex.</b> Upgrading of the sports facilities including revamping of ablution facilities and construction of an Athletic Track and Fields in Khuma stadium =<b>R4m</b></p> <p><b>LEDP9: Building of a Primary Health Centre</b> in Qumbu - <b>R4.5m</b></p>	<p><b>LEDP10: Matlosana Schools Hall</b> to be built at Matlosana Secondary School in Jouberton = <b>R3,4m</b></p> <p><b>LEDP11: Building of 5 Classrooms, ablution facilities and Computer lab</b> Atamelang Primary School in Kanana =<b>R3m</b></p> <p><b>LEDP12: : Refurbishment and equipping of a 2 Physical Science Labs and 2 Social Science Labs</b> at Alabama combined school = <b>R2m</b></p> <p><b>LEDP13: Replacement of a Mud School by building of 6 Classrooms, admin block, Early Childhood Development Centre and ablution facilities.</b> In accordance with the Provincial Schools Priority List, in the Amatole District - <b>R5m</b></p>
<b>Enterprise Development: R15 million over 5 years for the development and operation of the Enterprise Development Centres.</b>					



**Table 3-9: Detailed overview of Moab Khotsong LED Projects**

<b>LEDP1: Community Development: Land acquisition and contribution towards bulk infrastructure in Khuma Township</b>	
<b>Description:</b>	<p>This project arises from the previous SLP but could not be executed and as a result the parties agreed to reallocate its budget to the Botshabelo Community Health Centre. The project is as a result of the growing population and an increase of informal settlement in Khuma location, there is a need for the Matlosana Municipality to intervene to relocate the people staying in informal settlements into a formal developed area. Land owned by the Municipality in and around Khuma, the Municipality approached private land owners in that area to purchase the land from them for this purpose.</p> <p>Moab Khotsong Operations will contribute money to purchase the land that will be utilized by the Municipality to relocate the community of Khuma who are currently staying in informal settlement. The budget would also cater for the provision of bulk infrastructure in Khuma as requested by the Matlosana Local Municipality and any other community development project agreed to by the parties in case where the budget for this project is not utilised as above.</p>
<b>Location:</b>	Khuma Township
<b>Objective:</b>	Contribute to the provision of habitable and sustainable human settlements thus complementing government in its endeavors to reduce overcrowding and also contribute towards the achievement of the constitutional right to housing and human dignity. The alternative project of a Swimming Pool shall contribute towards the development of sports and recreation in the area thus contributing towards the creation of a healthy and safe community.
<b>Value contribution</b>	R4 Million
<b>Value contribution by other:</b>	City of Matlosana Local Municipality is responsible to provide detailed completed feasibility study and liaise with the Department of Human Settlement to provide other related infrastructure.
<b>Project</b>	Infrastructure
<b>No of jobs to be created:</b>	Approximately 25 jobs during the construction phase.
<b>Benefit to Community:</b>	To improve the quality of lives of the community and contribute towards the achievement of the constitutional right to human dignity. More than +10000 community members will benefit. <b>The</b>
<b>Skills transferred to HDSAs:</b>	Construction skills during the implementation of bulk infrastructure.
<b>Stakeholders:</b>	Moab Khotsong Operations and City of Matlosana
<b>Deliverables:</b>	Feasibility studies Conclude Stakeholders MOU Establish formal project Steering Committee Land acquisition and bulk infrastructure
<b>Critical Path, Milestones &amp; Design Path</b>	
<b>Feasibility</b>	Qrt 3 2019
<b>Business Plan</b>	Qrt 4 2019



<b>Obtain Funding</b>	Done
<b>Construct</b>	Qrt 2 2020
<b>Completion</b>	Qrt 4 2020

### LEDP3: Building and equipping of physical and life sciences lab in Dirang Ka Natla Secondary School

<b>Description:</b>	<p>In terms of National Government Priorities, education has been identified by Government as priority number one. Moab Khotsong Operations has committed itself to assist the Department of Basic Education to meet the Norms and Standards as determined by the Minister of Basic Education. Over the years our performance as a country in Math's and Science has been less than satisfactory and as such more effort is needed towards improving our performance in this regard.</p> <p>Ka Natla Secondary School has a roll of approximately 850 learners and attracts many learners in the area. The school is a feeder to North West University.</p> <p>In partnership with the Department of Basic Education and City of Matlosana Local Municipality, Moab Khotsong Operations has committed to build a Physical and Life Science Laboratory at Dirang Ka Natla Secondary School in Khuma. The Science Laboratory will be built according to the Department of Basic Education's specification.</p>
<b>Location:</b>	Khuma
<b>Objective:</b>	To improve the quality of education and thereby contributing towards the achievement of Government Priority Goals as outlined in the NDP.
<b>Value contribution</b>	R1.9 Million
<b>Value contribution by other:</b>	Department of Education to provide land
<b>Project</b>	Infrastructure
<b>No of jobs to be created:</b>	Approximately 20 jobs during the construction phase.
<b>Benefit to Community:</b>	Provision of quality teaching and learning after the completion of the project and job creation during implementation of the project. The project will also be delivered by a local Entrepreneur.
<b>Skills transferred to HDSAs:</b>	Construction skills
<b>Stakeholders:</b>	Harmony Moab Khotsong Operations, City of Matlosana and Department of Basic
<b>Deliverables:</b>	<p>Feasibility studies</p> <p>Conclude Stakeholders MOU</p> <p>Establish formal project Steering Committee</p> <p>Well-furnished Physical Science laboratory</p>

#### Critical Path, Milestones & Design Path



<b>Feasibility</b>	Qrt 2 2018
<b>Business Plan</b>	Qrt 2 2018
<b>Obtain Funding</b>	Completed
<b>Construct</b>	Qrt 3 2018
<b>Completion</b>	Qrt 4 2018

**LEDP4 (ORT): Establishment of an agricultural project at Tsolo Village at the Amatole Local Municipality at OR Tambo District Municipality**

<b>Description:</b>	<p>The scope is limited to the establishment of a sustainable agricultural farm project over a three year period .The project will be located in Tsolo Communal land. The available land is 20 hectares and project is planned to start with 5 hectares. This project is aimed at contributing towards poverty alleviation and employment creation in Tsolo in the OR Tambo district, the major labour sending area of Harmony Moab Khotsong Operations. This will include but not limited to the establishment and support of the agricultural initiatives in the area while effectively transferring both technical and management skills in the Agricultural sector of the economy. Through this project, sustainable modular agricultural farm will be established; this will encompass the design, build, operation and transfer of this modular Agri-farm to Tsolo community members. The tribal authority will donate land towards the implementation of the project and this project will assist in actively optimising the use of the land beyond subsistence farming. The targeted product is maize and other crops will be informed by soil tests, climatic conditions, water bed and other suitability factors. The project will directly benefit members of the communities in the locality where the project will be implemented. The success of the project will be fully reliant on the correct selection of participants. Participants shall be selected based on their competency and willingness to contribute equally in the success of the project. The target groups for this project will be emerging farmers, subsistence farmers and youth with interest in the farming fraternity residing in Tsolo surrounding communities. The project will be implemented in phases depending on the suitability of the land. The project will be modelled as an income- generating project (IG), so that it can continue to generate income from its operation and sustain beyond the life of mining. The proceeds from the project will be allocated to community development initiatives such as feeding schemes, NGO's and old age homes in the surrounding communities.</p>
<b>Location:</b>	Tsolo Village at Amatole in ORTDM.
<b>Objective:</b>	To implement a sustainable agricultural infrastructure to provide an income-generation (IG) support to mitigate the impact of poverty and unemployment. The outcome will be sustainable, multi-sector infrastructure for the delivery of IG support to these communities.
<b>Value contribution</b>	R10 Million (over 3 years)



<b>Value contribution by other:</b>	Department of Agriculture, Tribal Authority and ORTDM to provide land; Agri-Seta and Fort Hare University will be approached for assistance ;OR Tambo District Municipality
<b>Project</b>	Income Generating/ Poverty Alleviation
<b>No of jobs to be created:</b>	To be determined
<b>Benefit to Community:</b>	To implement a sustainable agricultural infrastructure to provide an income-generation (IG) support to mitigate the impact of poverty and unemployment. The outcome will be sustainable, multi-sector infrastructure for the delivery of IG support to these communities
<b>Skills transferred to HDSAs:</b>	Farming and business skills
<b>Stakeholders:</b>	Moab Khotsong Operations, Chiefs , Department of Agriculture, Agri-Seta and ORTDM
<b>Deliverables:</b>	Feasibility studies Conclude Stakeholders MOU Review project structure, i.e. establish formal project Steering Committee Receive project records of understandings – , Take-off agreements
<b>Critical Path, Milestones &amp; Design Path</b>	
<b>Feasibility</b>	Qtr.1 2020
<b>Business Plan</b>	Qtr.2 2020
<b>Obtain Funding</b>	Completed
<b>Construct</b>	2020 – 2022
<b>Completion</b>	Qtr. 4 2022

**LED P5: Building of 5 classrooms, ablution facilities and computer laboratory at Sediko Primary School in Jouberton**



<p><b>Description:</b></p>	<p>In terms of National Government Priorities, education has been identified by Government as priority number one. Moab Khotsong Operations has committed itself to assist the Department of Basic Education to meet the Norms and Standards as determined by the Minister of Basic Education. Over the years our performance as a country in Technology has been less than satisfactory and as such more effort is needed towards improving our performance in this regard. Sediko Primary School was also identified as one of the priority schools by the Department of Basic Education in North West with respect to dealing with the challenge of overcrowding in schools.</p> <p>Sediko Primary School has a roll call of approximately 1011 learners.</p> <p>The Department of Basic Education has requested the Moab Khotsong Operations to assist in building of 5 additional classrooms, Ablution Facilities and a Computer Laboratory at Sediko Primary School.</p> <p>Moab Khotsong Operations has committed to building 5 additional classrooms, Ablution Facilities and a Computer Laboratory at Sediko Primary School. Building of classrooms will contribute towards alleviating overcrowding in classes thereby contributing towards the quality of education in City of Matlosana.</p> <p>All the constructions to be done will be according the Department of Education specifications</p>
<p><b>Location:</b></p>	<p>Jouberton</p>
<p><b>Objective:</b></p>	<p>To improve the quality of education and thereby contributing towards the achievement of Government Priority Goals as outlined in the NDP.</p>
<p><b>Value contribution</b></p>	<p>R3 Million</p>
<p><b>Value contribution by other:</b></p>	<p>Department of Basic Education to provide land</p>
<p><b>Project</b></p>	<p>Infrastructure</p>
<p><b>No of jobs to be created:</b></p>	<p>To be determined.</p>
<p><b>Benefit to Community:</b></p>	<p>Provision of quality teaching and learning after the completion of the project and job creation during implementation of the project. <b>The project will also be delivered by a local Entrepreneur.</b></p>
<p><b>Skills transferred to HDSAs:</b></p>	<p>Construction skills</p>
<p><b>Stakeholders:</b></p>	<p>Moab Khotsong Operations, City of Matlosana and Department of Basic Education.</p>
<p><b>Deliverables:</b></p>	<p>Feasibility studies</p> <p>Conclude Stakeholders MOU</p> <p>Establish formal project Steering Committee</p> <p>5 classrooms, ablution facilities and well-furnished Computer laboratory</p>
<p><b>Critical Path, Milestones &amp; Design Path</b></p>	



<b>Feasibility</b>	Qrt 1 2020
<b>Business Plan</b>	Qrt 1 2020
<b>Obtain Funding</b>	Completed
<b>Construct</b>	Qrt 2 2020
<b>Completion</b>	Qrt 4 2020

#### LEDP6: Building and equipping of physical science lab Tshebedisano Secondary School in Jouberton

<b>Description:</b>	<p>In terms of National Government Priorities, education has been identified by Government as priority number one. Moab Khotsong Operations has committed itself to assist the Department of Basic Education to meet the Norms and Standards as determined by the Minister of Basic Education. Over the years our performance as a country in Math's and Science has been less than satisfactory and as such more effort is needed towards improving our performance in this regard.</p> <p>Tshebedisano Secondary School has a roll of approximately 900 learners and attracts many learners in the area. The school is a feeder to North West University.</p> <p>In partnership with the Department of Basic Education and City of Matlosana Local Municipality, Moab Khotsong Operations has committed to build a Physical and Life Science Laboratory at Tshebedisano Secondary School in Jouberton. The Science Laboratory will be built according to the Department of Basic Education's specification.</p>
<b>Location:</b>	Jouberton
<b>Objective:</b>	To improve the quality of education and thereby contributing towards the achievement of Government Priority Goals as outlined in the NDP.
<b>Value contribution</b>	R1.9 Million
<b>Value contribution by other:</b>	Department of Basic Education to provide land
<b>Project</b>	Infrastructure
<b>No of jobs to be created:</b>	To be determined.
<b>Benefit to Community:</b>	Provision of quality teaching and learning after the completion of the project and job creation during implementation of the project. <b>The project will also be delivered by a</b>
<b>Skills transferred to HDSAs:</b>	Construction skills
<b>Stakeholders:</b>	Harmony, City of Matlosana and Department of Basic Education.



<b>Deliverables:</b>	Feasibility studies Conclude Stakeholders MOU Establish formal project Steering Committee Well-furnished social science
<b>Critical Path, Milestones &amp; Design Path</b>	
<b>Feasibility</b>	Qrt 1 2020
<b>Business Plan</b>	Qrt 1 2020
<b>Obtain Funding</b>	Completed
<b>Construct</b>	Qrt 2 2020
<b>Completion</b>	Qrt 4 2020

**LED7: Building and equipping of physical science laboratory at Kgolaganyo Secondary School at Rammolotsi –Viljoeskroon**

<b>Description:</b>	<p>In terms of National Government Priorities, education has been identified by Government as priority number one. Moab Khotsong Operations has committed itself to assist the Department of Basic Education to meet the Norms and Standards as determined by the Minister of Basic Education. Over the years our performance as a country in Math's and Science has been less than satisfactory and as such more effort is needed towards improving our performance in this regard.</p> <p>Kgolaganyo Secondary School has a roll of approximately 650 learners and attracts many learners in the area. The school is a feeder to University of the Free State.</p> <p>In partnership with the Department of Basic Education and Matlosana Local Municipality, <b>Moab Khotsong Operations has committed to build a Physical and Life Science Laboratory</b> at Kgolaganyo Secondary School in Rammolotsi. The Science Laboratory will be built according to the Department of Basic Education's specification.</p>
<b>Location:</b>	Rammolotsi in Mophaka Local Municipality
<b>Objective:</b>	To improve the quality of education and thereby contributing towards the achievement of Government Priority Goals as outlined in the NDP.
<b>Value contribution</b>	R1.9 Million
<b>Value contribution by other:</b>	Department of Basic Education to provide land
<b>Project</b>	Infrastructure
<b>No of jobs to be created:</b>	To be determined.
<b>Benefit to Community:</b>	Provision of quality teaching and learning after the completion of the project and job creation during implementation of the project. <b>The project will also be delivered by a local Entrepreneur.</b>



<b>Skills transferred to HDSAs:</b>	Construction skills
<b>Stakeholders:</b>	Moab Khotsong Operations and Department of Basic Education
<b>Deliverables:</b>	Feasibility studies Conclude Stakeholders MOU Establish formal project Steering Committee Well-furnished physical science lab
<b>Critical Path, Milestones &amp; Design Path</b>	
<b>Feasibility</b>	Qrt 1 2020
<b>Business Plan</b>	Qrt 1 2020
<b>Obtain Funding</b>	Completed
<b>Construct</b>	Qrt 2 2020
<b>Completion</b>	Qrt 4 2020

#### LEDP8: Khuma sports and recreation complex. construction of an athletic track and fields in Khuma stadium

<b>Description:</b>	<p>In using Sports, Recreation, Arts and Culture as a catalyst for social cohesion, platform for creation of safe and healthy community, the City of Matlosana Local Municipality has embarked on upgrading sport, art and recreation facilities in communities. Informed by the IDP document and through the Mandating Committee, the Municipality requested Moab Khotsong Operations to construct an Athletic Track And Sports Fields In Khuma Stadium. The facility will cater for various sporting codes in the area (Athletic Track and Field) and will also be used by other schools in Khuma.</p> <p>Moab Khotsong Operations to construct Athletic Track and Sports Fields in Khuma Stadium. Putting up track and field's facilities in the complex will increase the number of youth participating in various sporting codes and the facilities will be used also by schools within the vicinity during athletics seasons</p>
<b>Location:</b>	Khuma
<b>Objective:</b>	To contribute in creating active socially cohesive nation through sports, recreation and the arts
<b>Value contribution</b>	R4 Million
<b>Value contribution by other:</b>	City of Matlosana to provide land
<b>Project</b>	Infrastructure
<b>No of jobs to be created:</b>	To be determined.



<b>Benefit to Community:</b>	Job creation during the building the project and socially cohesive community. Furthermore more than +5000 communities members will utilise the facility for sport activities
<b>Skills transferred to HDSAs:</b>	Construction skills
<b>Stakeholders:</b>	Moab Khotsong Operations and City of Matlosana
<b>Deliverables:</b>	Feasibility studies Conclude Stakeholders MOU Establish formal project Steering Committee Track and field sports facility
<b>Critical Path, Milestones &amp; Design Path</b>	
<b>Feasibility</b>	Qtr.3 2020
<b>Business Plan</b>	Qtr.4 2020
<b>Obtain Funding</b>	Completed
<b>Construct</b>	Qtr.1 2021
<b>Completion</b>	Qtr.3 2021

<b>LEDP9 (ORT): Building of a primary health centre in Qumbu</b>	
<b>Description:</b>	<p>In terms of National Government Priorities, health has been identified by Government as priority number two. In partnership with the Department of Health, Moab Khotsong Operations has committed to building a Primary Health Care Facility to cater for the community. The objective of this project is to replace the current mud primary health care facility in Qumbu. The current structure can only cater for 12 patients with only 3 nurses and 1 doctor that come once a week and only offer minimal services. ORT District Municipality has an estimated population of 1 488, 427. The estimated population of Qumbu is 115 273 and the Clinic receives 3500 – 4000 visits per month. As per the reports from the ORT District Municipality -Department of Health, there has been increase on the rate of chronic conditions, e.g. Hypertension and Diabetes Mellitus. HIV/AIDS, TB. The current infrastructure is inadequate.</p> <p>This clinic will be a day care Primary Health Facility. The project is a Public Private Partnership between Harmony Moab Khotsong operations, ORT District Municipality and Department of Health. Moab Khotsong Operations will finance the construction of the facility, ORT District Municipality will provide Land and the Department of Health will provide personnel and equip the facility. The centre will have an office, staff room, pharmacy for dispensing medicine, an emergency care unit, toilets and consulting rooms. The area where the clinic is to be built is centrally located for easy access. The Development and construction of a clinic in Qumbu will result in an improved health care in the area. The Clinic will be built according to the Department of Health specifications</p>
<b>Location:</b>	Qumbu in ORTDM.



<b>Objective:</b>	To enable the community of Qumbu to access comprehensive health services closer to home without taking public transport.
<b>Value contribution</b>	R4.5 Million
<b>Value contribution by other:</b>	A Memorandum Of Understanding will be entered into between Moab Khotsong Operations and the Department of Health with respect to ensuring that the DoH appropriately resources and operates the Centre as envisaged and agreed to by the
<b>Project</b>	Infrastructure
<b>No of jobs to be created:</b>	To be determined
<b>Benefit to Community:</b>	The new Community Health Centre will contribute towards improving the quality of health of the community; reduce the costs of health by eliminating the transport costs and lead to economically active and healthy community. <b>The project will also be delivered by a local Entrepreneur.</b>
<b>Skills transferred to HDSAs:</b>	Construction skills, Carpentry and electrical skills
<b>Stakeholders:</b>	Construction skills, Carpentry and electrical skills
<b>Deliverables:</b>	Feasibility studies Conclude Stakeholders MOU Review project structure, i.e. establish formal project Steering Committee Receive project records of understandings
<b>Critical Path, Milestones &amp; Design Path</b>	
<b>Feasibility</b>	Qtr. 1 2020
<b>Business Plan</b>	Qtr. 2 2020
<b>Obtain Funding</b>	Completed
<b>Construct</b>	Qtr. 1 2021
<b>Completion</b>	Qtr. 4 2021

**LED10: Matlosana schools hall to be built at Matlosana Secondary School in Jouberton**



<p><b>Description:</b></p>	<p>In terms of National Government Priorities, education has been identified by Government as priority number one. Moab Khotsong Operations has committed itself to assist the Department of Basic Education to meet the Norms and Standards as determined by the Minister of Basic Education. Department of Basic Education has identified a need for a school hall and requested Moab Khotsong Operations to commit in constructing the hall. The hall will be centrally located at Matlosana Secondary School. Amongst other things, this hall will be used for the purposes:-</p> <ul style="list-style-type: none"> <li>• Extra mural activities like music Competitions and practices, Debates, Drama practices, Novels and drama competitions, Presentations, fundraising activities etc.</li> <li>• Career exhibitions, lectures where big numbers are involved, motivational talks</li> <li>• Meetings of Educators and Principals by the Area Office and the workshops will be done in the Hall.</li> </ul> <p>The project is a Public Private Partnership between Moab Khotsong Operations and Department of Basic Education. Moab Khotsong Operations will finance the construction of the facility and provide furniture, and Department of Basic Education will provide personnel. The school hall will be built according to the Department of Basic Education’s specifications.</p>
<p><b>Location:</b></p>	<p>Jouberton</p>
<p><b>Objective:</b></p>	<p>To improve the quality of education and thereby contributing towards the achievement of Government Priority Goals as outlined in the NDP.</p>
<p><b>Value contribution</b></p>	<p>R3.4 Million</p>
<p><b>Value contribution by other:</b></p>	<p>Department of Basic Education to provide land</p>
<p><b>Project</b></p>	<p>Infrastructure</p>
<p><b>No of jobs to be created:</b></p>	<p>To be determined.</p>
<p><b>Benefit to Community:</b></p>	<p>Provision of quality teaching and learning after the completion of the project and job creation during implementation of the project. <b>The project will also be delivered by a local Entrepreneur.</b></p>
<p><b>Skills transferred to HDSAs:</b></p>	<p>Construction skills</p>
<p><b>Stakeholders:</b></p>	<p>Moab Khotsong Operations, City of Matlosana and Department of Basic Education.</p>
<p><b>Deliverables:</b></p>	<p>Feasibility studies                  Conclude Stakeholders MOU                  Establish formal project Steering Committee                  School hall to be used by 23 schools around Jouberton</p>
<p><b>Critical Path, Milestones &amp; Design Path</b></p>	
<p><b>Feasibility</b></p>	<p>Qtr.3 2021</p>
<p><b>Business Plan</b></p>	<p>Qtr.4 2021</p>
<p><b>Obtain Funding</b></p>	<p>Completed</p>



<b>Construct</b>	Qtr.1 2022
<b>Completion</b>	Qtr.3 2022

<b>LEDP11: Building of 5 classrooms, ablution facilities and computer lab at Atamelang Primary School in Kanana</b>	
<b>Description:</b>	<p>In terms of National Government Priorities, education has been identified by Government as priority number one. Moab Khotsong Operations has committed itself to assist the Department of Basic Education to meet the Norms and Standards as determined by the Minister of Basic Education. Over the years our performance as a country in Technology has been less than satisfactory and as such more effort is needed towards improving our performance in this regard. Atamelang Primary School was also identified as one of the priority schools by the Department of Basic Education in North West with respect to dealing with the challenge of overcrowding in schools.</p> <p>Atamelang Primary School has a roll call of approximately 1215 learners.</p> <p>The Department of Basic Education has requested the Moab Khotsong Operations to assist in building of 5 additional classrooms, Ablution Facilities and a Computer Laboratory at Atamelang Primary School.</p> <p>Moab Khotsong Operations has committed to building 5 additional classrooms, Ablution Facilities and a Computer Laboratory at Atamelang Primary School. Building of classrooms will contribute towards alleviating overcrowding in classes thereby contributing towards the quality of education in City of Matlosana. All the constructions to be done will be according to the Department of Basic Education specifications.</p>
<b>Location:</b>	Kanana
<b>Objective:</b>	To improve the quality of education and thereby contributing towards the achievement of Government Priority Goals as outlined in the NDP.
<b>Value contribution</b>	R3 Million
<b>Value contribution by other:</b>	Department of Basic Education to provide land
<b>Project</b>	Infrastructure
<b>No of jobs to be created:</b>	To be determined.
<b>Benefit to Community:</b>	Provision of quality teaching and learning after the completion of the project and job creation during implementation of the project. <b>The project will also be delivered by a local Entrepreneur.</b>
<b>Skills transferred to HDSAs:</b>	Construction skills
<b>Stakeholders:</b>	Moab Khotsong Operations, City of Matlosana and Department of Basic Education.



<b>Deliverables:</b>	Feasibility studies Conclude Stakeholders MOU Establish formal project Steering Committee 5 classrooms, ablution facilities and well-furnished Computer laboratory
<b>Critical Path, Milestones &amp; Design Path</b>	
<b>Feasibility</b>	Qtr.3 2021
<b>Business Plan</b>	Qtr.4 2021
<b>Obtain Funding</b>	Completed
<b>Construct</b>	Qtr.1 2022
<b>Completion</b>	Qtr.3 2022

<b>LEDP12: Refurbishment and equipping of a 2 physical science labs and 2 life sciences labs at Alabama Combined School</b>	
<b>Description:</b>	<p>In terms of National Government Priorities, education has been identified by Government as priority number one. Moab Khotsong Operations has committed itself to assist the Department of Basic Education to meet the Norms and Standards as determined by the Minister of Basic Education. Over the years our performance as a country in Math's and Science has been less than satisfactory and as such more effort is needed towards improving our performance in this regard.</p> <p>Alabama Combined School has a roll of approximately 1720 learners and attracts many learners in the area. The school is a feeder to North West University.</p> <p>In partnership with the Department of Basic Education and City of Matlosana Local Municipality, Moab Khotsong Operations has committed to refurbish and equip existing two Physical Science Laboratories and two Life Sciences Laboratories at Alabama Combined School in Alabama. The Laboratories will be built according to the Department of Basic Education's specification.</p>
<b>Location:</b>	Alabama
<b>Objective:</b>	To improve the quality of education and thereby contributing towards the achievement of Government Priority Goals as outlined in the NDP.
<b>Value contribution</b>	R2 Million
<b>Value contribution by other:</b>	Department of Basic Education to provide land
<b>Project</b>	Infrastructure
<b>No of jobs to be created:</b>	To be determined.
<b>Benefit to Community:</b>	Provision of quality teaching and learning after the completion of the project and job creation during implementation of the project. <b>The project will also be delivered by a local Entrepreneur.</b>



<b>Skills transferred to HDSAs:</b>	Construction skills
<b>Stakeholders:</b>	Moab Khotsong Operations, City of Matlosana and Department of Basic Education.
<b>Deliverables:</b>	Feasibility studies Conclude Stakeholders MOU Establish formal project Steering Committee Well furnished & equipped 2 Physical-Science Lab and 2 Social Science Lab
<b>Critical Path, Milestones &amp; Design Path</b>	
<b>Feasibility</b>	Qtr.1 2022
<b>Business Plan</b>	Qtr.1 2022
<b>Obtain Funding</b>	Completed
<b>Construct</b>	Qtr.2 2022
<b>Completion</b>	Qtr.4 2022

### LEDP17 (ORT): Building of a new school at Kuhle Primary School in King William's Town

<b>Description:</b>	<p>In terms of National Government Priorities, education has been identified by Government as priority number one. In the Eastern Cape the priority of Government is to eradicate all mud structures and replace these with proper structures that meet the Norms and Standards as determined by the Minister of Basic Education. Kuhle Primary School is one of the mud-school structures that were identified as a priority by the District Department of Basic Education in the Eastern Cape for Moab Khotsong Operations to include in its 2018-2022 SLP.</p> <p>Kuhle Primary School has a current learner capacity of 927 resulting in overcrowding in classrooms. In partnership with the Department of Basic Education, Moab Khotsong Operations has committed to build 6 classrooms, Admin Block and Ablution Facilities at Kuhle Primary School. The Department of Basic Education will supply the furniture and additional personnel once the building has been completed. All the constructions to be done will be according the Department of Basic Education specifications.</p>
<b>Location:</b>	Tsolo Village at Amatole in ORTDM.
<b>Objective:</b>	To implement a sustainable agricultural infrastructure to provide an income-generation (IG) support to mitigate the impact of poverty and unemployment. The outcome will be sustainable, multi-sector infrastructure for the delivery of IG support to these communities.
<b>Value contribution</b>	R5 Million
<b>Value contribution by other:</b>	Department of Agriculture, Tribal Authority and ORTDM to provide land; Agri-Seta and Fort Hare University will be approached for assistance ;OR Tambo District Municipality



<b>Project</b>	Income Generating/ Poverty Alleviation
<b>No of jobs to be created:</b>	To be determined
<b>Benefit to Community:</b>	To implement a sustainable agricultural infrastructure to provide an income-generation (IG) support to mitigate the impact of poverty and unemployment. The outcome will be sustainable, multi-sector infrastructure for the delivery of IG support to these communities
<b>Skills transferred to HDSAs:</b>	Farming and business skills
<b>Stakeholders:</b>	Harmony Moab Khotsong Operations, Chiefs , Department of Agriculture, Agri-Seta and ORTDM
<b>Deliverables:</b>	Feasibility studies Conclude Stakeholders MOU Review project structure, i.e. establish formal project Steering Committee Receive project records of understandings – , Take-off agreements
<b>Critical Path, Milestones &amp; Design Path</b>	
<b>Feasibility</b>	Qtr.1 2020
<b>Business Plan</b>	Qtr.2 2020
<b>Obtain Funding</b>	Completed
<b>Construct</b>	2020 – 2022
<b>Completion</b>	Qtr. 4 2022

### 3.15 Social Leases

As part of Moab Khotsong's initiatives to go beyond compliance, Harmony assists organisations, SMMEs and individuals in the community with the requisite infrastructure for service delivery by providing premises at nominal rental rates. Deserving organisations and individuals benefit from the social leases scheme. There are currently 21 social type leases. The table below shows a list of such entities with their nominal rentals charged vs. Market related rates.



**Table 3-10: Moab Khotsong social leases**

No.	NAME OF ENTITY	SQM	MARKET RELATED RENTAL FOR PREMISES P/M	NOMINAL RENTAL FEE
1	APOSTOLIC FAITH MISSION CHURCH	320	3, 840	401
2	CITY COUNCIL OF MATLOSANA (OFFICES & LIBRARY)	725	8,700	10
3	DEPARTMENT OF HEALTH (CLINIC)	285	3, 420	10
4	CORLINE 128 T/A JUNGLE BUDDIES	500	6,000	441
5	EARLY SALVATION CHRISTIAN CHILD CARE CENTRE	1,285	15,420	543
6	MOSALA T/A JOLLY KIDS	80	960	213
7	NTSIE (UMUZIMUHLE PRE PRIMARY)	148	1,776	531
8	ORKNEY CHILD & FAMILY WELFARE	Unit	1, 488	9.41
9	ORKNEY ANIMAL SHELTER	458	5,496	15.
10	MATLOSANA RUGBY ACADEMY	502	6,024	482
11	ST. JOHNS APOSTOLIC CHURCH	242	2, 904	101
12	IRON MAIDEN MOTORCYCLE CLUB	30	360	25.00
13	DEPT. PUBLIC WORKS (KANANA POLICE STATION)	900	10,800	6 500
14	VAAL REEFS TECHNICAL HIGH SCHOOL	10,045	120, 540	1.00
15	VAAL REEFS PRIMARY SCHOOL	2,750	33, 000	1.00
16	UNITED PRIMARY SCHOOL	1,159	13,908	1.00
17	EL-BETHEL CHRISTIAN WORSHIP MINISTRY	922	11,064	220
18	UMUZIMUHLE CONGREGATION	100	1,200	337
19	MOLALE SECURITY SERVICES (UD)	Unit/s	3, 780	1.00
20	MINEWORKERS PROVIDENT FUND	200	2,400	-
21	DINALEDI EDU-CARE CENTRE	Unit	1, 488	495
<b>TOTALS</b>			<b>254, 568</b>	<b>10,338</b>
<b>TOTAL SOCIAL CONTRIBUTION FOR JULY</b>				<b>244 230</b>
<b>TOTAL SOCIAL CONTRIBUTION YEAR TO DATE</b>				<b>1 712 364</b>



### 3.16 Housing and Living Conditions

This section of the SLP addresses the Housing and Living Conditions of the 2010 Amended broad-based socio-economic empowerment charter of the South African mining and minerals industry which states as follows:

*“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 mining companies must implement measures to improve the standards of housing and living conditions for mineworkers as follows:*

- Convert or upgrade hostels into family units by 2014;
- Attain the occupancy rate of one person per room by 2014;
- Facilitate home ownership options for all mine employees in consultation with organised labour by 2014.”

The **Mining Charter scorecard** requirements are indicated below along with the Moab Khotsong compliance to date.



**Table 3-11: Harmony Moab Khotsong housing and living conditions overview**

**SCORECARD FOR THE BROAD-BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER FOR THE SOUTH AFRICAN MINING INDUSTRY – MOAB KHOTSONG OPERATIONS**

No.	ELEMENT	DESCRIPTION	MEASURE	COMPLIANCE TARGET BY 2014	PROGRESS ACHIEVED BY									
					MC 2013	2013 Achieved	MC 2014	2014 Achieved	MC 2015	2015 Achieved	MC 2016	2016 Achieved	MC 2017	As at 30 Sept 2017
3	Housing and living conditions	Conversion and upgrading of hostels to attain the occupancy rate of one person per room.	Percentage reduction of occupancy rate towards 2014 target.	Occupancy rate of one person per room	75%	100%	100%	100%	50%	64%	75%	100%	100%	100%
		Conversion and upgrading of hostels into family units	Percentage conversion of hostels into family units.	Family units established	75%	100%	100%	100%	50%	80%	75%	100%	100%	100%
		Note on Moab Khotsong Operations	Implement initiatives to facilitate home ownership e.g. Preference surveys, advice on purchasing homes, training on benefits of home ownership	No target set		Harmony Moab Khotsong operations intends to promote employee home ownership through an ownership scheme over the next 5 years. This will include the selling of approximately 250 houses located in Klerksdorp to Moab Khotsong employees. Harmony will also assist buyers with the facilitation of bond applications.								



## 4 Procurement and Enterprise Development

### 4.1 Procurement progression plan

#### 4.1.1 Introduction

Harmony believes that procurement plays a pivotal role in the transformation of the South African economic landscape and this 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. The table below summarises Harmony’s procurement achievements against the Mining Charter requirements.

**Table 4-1: Harmony procurement compliance against the mining charter targets**

Mining Charter Target	Harmony Compliance
Capital Goods: 40%	Capital Goods: 83%
Services: 70%	Services: 81%
Consumer Goods: 50%	Consumer Goods: 77%
Annual contribution by multinational suppliers to socio-economic development: 0.5% of the value of any supply contract.	Harmony engages with all its multinational suppliers urging them to contribute to socio-economic development, as prescribed by the Mining Charter. Harmony is also exploring the potential of a Harmony-supported fund for this same purpose, which will allow for proper monitoring of contributions made by our suppliers.

This plan is aimed at increasing the money spent each year on the procurement of goods and services from black economic empowered (BEE) entities over a further period of five years. The sustainability of small and micro enterprise (SME) businesses entails more than just the creation of purchase opportunities and also incorporates related elements of enterprise development initiatives.

#### 4.1.2 Affirmative procurement

Harmony has embarked on an affirmative procurement programme to ensure that it meets its social and labour plan commitments. The programme required that Harmony change its policies and processes to accommodate the recording and tracking of BEE entity spend.

Some of the changes made were:

- The Harmony tender policy was amended to give preference to BEE entity suppliers. BEE entities can win tenders even when their price is higher than that of non-BEE entity suppliers. This allowance is possible due the sliding scale differential discount implemented in the tender policy;
- Certain commodities are set aside and may only be purchased from BEE-entity suppliers and certain commodities may only be acquired from 100% black owned suppliers through the Harmony business development centres;
- BEE-entities get a second chance to revise their tender price, should they not win a tender; and



- Preference is given to suppliers that are local to the operation where the service will be consumed.
- The Mining Charter scorecard requirements for 2010 to 2014 are indicated below along with the Harmony Moab Khotsong Operations compliance as at end October:

Scorecard for the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry –Moab Khotsong Operations					PROGRESS ACHIEVED BY							
No.	ELEMENT	DESCRIPTION	MEASURE	COMPLIANCE TARGET BY 2014	PROGRESS ACHIEVED BY							
					MC 2013	2013 Achieved	MC 2014	2014 Achieved	MC 2015	2015 Achieved	MC 2016	2016 Achieved
4	Procurement & Enterprise Development	Procurement spent from BEE entity	Capital goods	40%	30%	67%	40%	42%	40%	40%	40%	40%
			Services	70%	60%	54%	70%	71%	70%	70%	70%	70%
			Consumable goods	50%	40%	59%	50%	65%	50%	50%	50%	50%
		Multinational suppliers contribution to the social fund	Annual spend on procurement from multinational suppliers	0.5% of procurement value	0.5%	Awaiting DMR guidance						

### 4.1.3 Procurement challenges during the previous reporting period

Much as we have achieved and exceeded the Mining Charter targets, extending procurement opportunities to companies in and around the communities where we operate was a challenge that needed to be addressed by developing and putting in place a comprehensive and coherent Procurement Strategy addressing both the need to empower local suppliers and entrepreneurs.

Following workshops within the company and consultations with a number of stakeholders, namely, the DMR, local SMMEs and business forums, host communities and local municipalities, the following challenges were identified as the main challenges that needed to be addressed to satisfy the DMR requirements that the company increase the number of HDSA companies in our Procurement System and to achieve the goal of making the company’s Procurement System inclusive and accessible to local SMMEs and businesses:

- Procurement was still perceived as not opening up opportunities to local entrepreneurs, especially the HDSA ones.
- SMMEs are still finding it difficult to obtain a Vendor Number.
- There is a need to provide training for the vendor application process.
- Emerging businesses are still treated the same as established businesses.
- Enterprise Development is not integrated into other business units (e.g. Properties)
  - a) No platform to encourage the formation of JVs with established businesses procuring from Harmony Moab Khotsong Operations.
  - b) No mentoring and capacity building of HDSA suppliers and local SMMEs and entrepreneurs.
  - c) No allocation of specific contracts to emerging businesses.

### 4.1.4 Procurement - Key Focus Areas for 2018-2022

In an effort to address the above-mentioned challenges, Moab Khotsong Operations is in the process to establishing Business Developments Centres in its Host and the Labour Sending Areas. This will



be used to drive a more focused local Supplier and Enterprise Development Programme which will assist in developing HDSAs and local suppliers, SMMEs and entrepreneurs to enable them to meet the company's procurement requirements.

Subsequent to extensive consultations and engagements with all the key stakeholders, the following are the key initiatives that we will continue to implement in the next five years to assist local suppliers to access procurement opportunities in Harmony Moab Khotsong Operations and entrepreneurs in host and Labour Sending Areas to establish their businesses in a sustainable manner:

- a) Advertising LED Projects in the local newspapers
- b) Advertising Selected Harmony Moab Khotsong Tender Opportunities on the Local Procurement Portal aimed at creating visibility of the opportunities and tenders that are open and available at Harmony Moab Khotsong
- c) Targeted Procurement – this involves setting aside certain categories of spend for local suppliers and will ensure that local communities get a fair chance to win tender opportunities without having to compete with big and established suppliers
- d) Facilitating Joint Ventures between Established Suppliers and some Local Entities – this will give small suppliers an opportunity to participate in large projects and assist in the transfer of skills
- e) Incubation – Establish Business Development Centres that will help in the development of new entrants from our host communities

#### 4.1.5 2018-2022 BEE Procurement Targets and Approach

- a) Overall Target for BEE Entities (> 25% Black Ownership)

Moab Khotsong Operations will retain and improve the 2014 Mining Charter targets achieved by the end of 2017 in all the categories of spend (i.e. Consumables, Services, Capital Spend).

- b) Procurement in Host Communities (New Entrants)

The main focus will be on the SMMEs around Host Communities to ensure that the majority of the SMMEs registered on our Local Procurement Portal are fully integrated into our Supply Chain

## 4.2 Enterprise development

### 4.2.1 Introduction

In terms of Procurement and Enterprise Development, the Amended 2010 Mining Charter states as follows:

*“Local procurement is attributable to competitiveness and transformation, captures economic value, presents opportunities to expand economic growth that allows for creation of decent jobs and widens scope for market access of South African capital goods and services. In order to achieve this, the mining industry must procure services of BEE entities in accordance with the following criteria:*

- *Procure a minimum of 40% of capital goods from BEE entities by 2014;*
- *Ensure that multinational suppliers of capital goods annually contribute a minimum of 0.5% of annual income generated from local mining companies towards socio- economic development of local communities into a social development fund from 2010;*



- *Procure 70% of services and 50% of consumer goods from BEE entities by 2014. The targets above are exclusive of non-discretionary procurement expenditure.”*

Furthermore, Regulation 46 (c) of the MPRDA requires that the contents of a SLP must include a local economic development programme which must include:

*“(vi) The procurement progression plan and its implementation for the HDSA companies in terms of capital goods, services and consumables and the breakdown of the procurement which must be completed in the form of Form T.*

#### 4.2.2 Harmony’s approach to Enterprise Development

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

In support of the SLP commitments made, Harmony has opened Business Development Centres (BDCs) 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; and
- Building the capacity and ability of emerging BEE companies

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 BDCs aims:

- To develop HDSA enterprises;
- To grow a sustainable HDSA suppliers base;
- To diversify the HDSA supplier base;
- To create suppliers that can meet Harmony procurement needs;
- To match HDSA companies with entrenched suppliers;
- Reduce small businesses’ dependence on Harmony’s existence by assisting companies to create alternative markets;
- To collaborate with external stakeholders;
- To communicate effectively with HDSA suppliers; and



- To continuously monitor and measure performance.

### 4.2.3 Local Enterprise Development Centres

One of the key objectives and roles of the current Masakhisane Fund, an established enterprise development initiative, is the establishment of the Enterprise Development Centres (EDC) in the host communities of Merafong and Matlosana local municipalities and OR Tambo district municipality.

The above-mentioned EDCs were first identified in the previous 2010 -2014 SLP for West Wits (Merafong) and the Vaal River (Matlosana and OR Tambo). Going forward under the 2018 – 2022 SLP, Harmony have allocated to these EDCs a total amount of R15m over a five (5) year period. This will be distributed between Merafong, Matlosana and OR Tambo.

The EDCs are to be managed by professional implementing agents specialising in this area so to address the current shortcomings in both supplier and enterprise development in host communities. The feasibility study findings of this project however indicated that to create the targeted number of entrepreneurs and job opportunities as reflected in the SLPs, the budgets would need to be almost doubled. It was therefore necessary to search for external funders to close the shortfalls which delayed the implementation of the EDC's.

Extensive consultations with the Municipalities, the unions and the SMME sectors on the key objectives of the EDCs and the scope and outcomes has been agreed in formal steering committee structures.

It is important to note that these Enterprise Development projects are not and cannot be done in isolation. Apart from the regular interaction with communities via briefing sessions, local government, the company has built strategic alliances with academic institutions, funding institutions, government agencies and community forums supporting sustainability beyond the initial three year period.



## 5 Process for the Management of Downscaling and Retrenchment

*REGULATION 46(d) of the MPRDA requires that the contents of a social and labour plan must include:*

*A process pertaining to management of downscaling and retrenchment which must include:*

- I. The establishment of the future forum;*
- II. Mechanisms to save jobs and avoid job losses and a decline in employment;*
- III. Mechanisms to provide alternative solutions and procedures for creating job security where job losses cannot be avoided; and*
- IV. Mechanisms to ameliorate the social and economic impact on individuals, regions and economies where retrenchment or closure of the mine is certain.*

### 5.1 Introduction

This section of the SLP deals with the issues of downsizing of mines from a Harmony perspective. The approach contained in this section applies to all mines at Harmony, and is enforced by group policy and procedures, group agreements and undertakings, Chamber of Mines agreements, and government legislative frameworks.

Central to Harmony's approach to the management of downscaling is Harmony's twin growth strategy through greenfield and brownfield exploration, and through project development which informs the approach.

In considering the Company's approach to the management of downscaling operations, it must be remembered that the Harmony of today was built up by acquiring mines from other mining houses.

By acquiring mines which other companies regarded as marginal or unprofitable, and turning these mines around through diligent control of costs and focus on careful management of the assets, Harmony has been able to grow into the fifth largest gold mining producer globally, thereby creating many job opportunities which would otherwise have been lost to the South African economy.

In addition to the strategy of growth and job creation through acquisition, Harmony has a number of projects which will, in turn, be brought up to full production in the short and medium term. The growth projects are set out in more detail below.

From a holistic point of view, although some mines may be downscaled, new opportunities will come into production, thereby creating job opportunities for the South African economy within the wider group. It is the Company's intention to utilise these opportunities to absorb the excess labour that may result from unavoidable downscaling as it has been proven over the past five years.

Regrettably, gold mining is not as predictable as other businesses. The implications of the rand and gold price fluctuations, and the mining out of ore bodies, is the threat of job losses which is a constant reality management, unions, government and communities have to face. This, in turn, necessitates planning to alleviate the effects of downscaling as far as possible. Harmony has embarked on the steps as set out below, in accordance with the requirements of the MPRDA, the Mining Charter, as well as the Labour Relations Act, 1995 (Act No 66 of 1995) (LRA), notably sections 189 and 189A. This does not preclude other relevant legislation, as well as extensive collective agreements with organised labour, and the desire to be a responsible corporate citizen.



## 5.2 Establishment of a Future Forum at Harmony Moab Khotsong Operation

The Harmony Moab Khotsong Operations future forum is operational, comprising representatives from mine management and unions or association 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.

Members of future forums are, on a continuous basis, inducted or capacitated on the social plan, the Department of Labour's national social plan policy, Harmony's social plan framework, the SLP 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 operation;
- 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 while 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 making recommendations to the specific shaft management team; and
- Co-ordinating and implementing approved solutions in a planned manner.

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 'on the same side' in attempting to prolong the life of the mine, and achieve 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, however, as these tend to be adversarial in nature.

### 5.2.1 Functions of Harmony Moab Khotsong Operations 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 within the operation, especially when major retrenchments are anticipated.
- Liaising with the social plan directorate of the Department of Mineral Resources (DMR) and other stakeholders with regard to social plan issues.



- 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, 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 that will indicate the skills they require for training.
- Creating awareness among 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.

### 5.3 Mechanisms to avoid job losses and a decline in employment

In terms of Section 189(2) of the 1995 Labour Relations Act, the company is required to consult with employees with regard to contemplated retrenchment. The parties must attempt to reach consensus on appropriate measures to avoid the dismissals, to minimize the number of dismissals, to change the timing of the dismissals, and to mitigate the adverse effects of the dismissals.

The Harmony Future Forum structures engage on matters broader than the above legislative requirement, i.e. whenever structural workplace change is envisaged, as well as on matters contained in the Social and Labour Plan, its implementation and the need to monitor progress. The Future Forum is an important structure to identify opportunities that may exist to promote employment sustainability. Presentations have been done to it to share these with our employees and organised labour.

The company is acutely aware of its obligation to comply with the requirements of Section 52 of the Minerals Act, by way of notifying the Minerals and Mining Development Board where retrenchment of 500 employees or 10 per cent of the labour force (whichever is the lesser) is contemplated in a 12 month period, or where prevailing economic conditions cause the profit to revenue ratio of the mine to be less than six per cent for a continuous period of six months. It is also aware of its obligation to comply with any ministerial directive arising from such a process.

#### 5.3.1 Alternative solutions and procedures for creating job security where job losses cannot be avoided

As discussed, the primary method by which Harmony Moab Khotsong intends to avoid retrenchments is by providing other employment opportunities. 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 operations
- 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 LRA. The provisions of the Act allow the representatives of affected employees the opportunity to examine the reasons for the proposed downscaling, to present and consider alternatives to job losses, and 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 with every effort made to reduce the negative consequences on employees and affected communities.

A range of possible courses of action to achieve these objectives, which the company plans to implement at Harmony Moab Khotsong Operations should downscaling and retrenchments become unavoidable, is set out below. 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 retaining younger employees and allowing those closer to retirement to terminate their employment. This principle will obviously have to be considered and accepted by employee representatives in the context of the consultations envisaged by sections 189 and 189A of the LRA which the company and employee representatives will follow.

### **Voluntary severance packages**

In circumstances where extensive job losses are being contemplated, there will be employees who, due to 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**

When employees may lose 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 operations, 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 the National Union of Mineworkers (NUM) that restricts the employment of contractors and temporary employees to specific circumstances. Replacing these 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 contact 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 in 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 by 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. 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 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 could be approached from time to time to agree to work additional shifts on off Saturdays and public holidays in order to improve productivity and generate additional revenue.

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

Harmony Moab Khotsong Operations 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**

Harmony Moab Khotsong Operations will discontinue the recruitment of new employees while attempting to fill vacant positions with its existing complement of 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.

## **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, it is important that Harmony Moab Khotsong plans 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 as soon as the need arises.

## **NEDLAC social plan agreement**

In accordance with the National Economic Development and Labour Council (NEDLAC) social plan agreement, the Department of Labour will be notified of:

- The number of employees possibly affected
- Their job categories
- The timing of the proposed retrenchments
- The assistance being offered (including training)
- The prospects for re-employment
- The languages and areas of origin of affected employees
- Their skill profiles
- The resources available to assist them
- Details of the agreements and disagreements 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.

### **5.3.2 Department of Labour**

It is envisaged that Harmony Moab Khotsong Operations 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 the Unemployment Insurance Fund (UIF), assist work seekers to register with the department and advise on labour market and employment opportunities.



The mines reach 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 service 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.



## 6 Financial Provision

Regulation 46 (e) of the MPRDA which provides that the contents of a SLP must provide financially for the implementation of the SLP in the following areas:

- The human resource development programme;
- The local economic development programme; and
- The processes to manage downscaling and retrenchment.

Harmony Moab Khotsong is committed to implementing this SLP and details the amounts it intends to spend in the areas of HRD, LED and the management of downscaling and portable skills training.

The ability of Harmony Moab Khotsong to fund on an on-going 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. 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 flow is dependent on the rand gold price received, as is the availability of ore reserves to be mined. 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. Should a favourable gold 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. Moab Khotsong's undertakings in this plan needs to be read and understood in this context and against this background.

### 6.1 Financial Provision for Human Resource Development

The total HRD budget essentially provides for all training and development as contained in the company's Workplace Skills Plan. The table below reflects the HRD financial plan for 2018 – 2022.

	2018	2019	2020	2021	2022
<b>HRD</b>					
<b>% OF PAYROLL</b>	5.0%	5.25%	5.5%	5.75%	6%

### 6.2 Financial for Local Economic Development Programme

The company has for the duration of this SLP 2018 - 2022 allocated funds to address the needs of the host and labour sending communities, guided by the IDPs of the municipalities and consultations with all relevant stakeholders. The figures reflected in the following table indicate the financial plan for 2018-2022 for Community Development.



	TOTAL	2018	2019	2020	2021	2022
LED Budget	<b>R47 200 000</b>	R6 600 000	R11 900 000	R6 800 000	R8 500 000	R13 400 000

It should be noted that the financial provisions as reflected in the above Table are only indicative amounts as they were derived from the experience gained from the previous SLP LED. Thus the total spend per year may differ depending on the actual spend on individual projects.



Year	2018	2019	2020	2021	2022
<b>Budget</b>	<b>R6.0m</b>	<b>R11.9m</b>	<b>R6.8m</b>	<b>R8.5m</b>	<b>R13.4m</b>
<b>Matlosana LED Projects 2018 - 2022</b>	<b>LEDP1: Community Development</b> Contribution towards land acquisition and /or contribution towards bulk infrastructure development in Khuma by June 2017 = <b>R4m</b>	<b>LEDP3: Building and equipping of Physical Science Lab</b> in Dirang ka Natla Secondary School in Khuma = <b>R1,9m</b>	<b>LEDP5: Building of 5 Classrooms, ablution facilities and Computer lab</b> at Sediko Primary School in Jouberton = <b>R3m</b>	<b>LEDP8: Khuma Sports and Recreation Complex.</b> Upgrading of the sports facilities including revamping of ablution facilities and construction of an Athletic Track and Fields in Khuma stadium = <b>R4m</b>	<b>LEDP10: Matlosana Schools Hall</b> to be built at Matlosana Secondary School in Jouberton = <b>R3,4m</b>
	<b>LEDP2:</b> Continuation of the Vaal River Agricultural Project = <b>R2.6m (over 2 years)</b>	<b>LEDP4: Establishment of an Agricultural Project</b> in Tsolo – <b>R10.0m (over 3 years)</b>	<b>LEDP6:</b> Tshebedisano Secondary School in Jouberton - (Social Science Lab)= <b>R1,9m</b>	<b>LEDP9: Building of a Primary Health Centre</b> in Qumbu - <b>R4.5m</b>	<b>LEDP11: Building of 5 Classrooms, ablution facilities and Computer lab</b> Atamelang Primary School in Kanana = <b>R3m</b>
			<b>LEDP7: Building and equipping of Physical Science Lab</b> at Kgolaganyo Secondary School at Rammolotsi = <b>R1.9m</b>		<b>LEDP12: : Refurbishment and equipping of a 2 Physical Science Labs and 2 Social Science Labs</b> at Alabama combined school = <b>R2m</b>
					<b>LEDP13: Replacement of a Mud School by building of 6 Classrooms, admin block, Early Childhood Development Centre and ablution facilities.</b> In accordance with the Provincial Schools Priority List, in the Amatole District - <b>R5m</b>



### 6.3 Downscaling and Retrenchment

Regulation 46 (e) (iii) of the MPRDA states:

The company provides for the management of downscaling and retrenchment in terms of its Business plan process, which includes provision for the human resources development initiatives, as well as the local economic development plan. The Labour Relations Act's process and requirements will precede any downscaling that may lead to retrenchments.

In the 2011-2013 Wage Agreement entered into between organized labour and the company, through the Chamber of Mines, provides for the payment of a minimum severance pay of not less than R20 000.00. It further undertook to pay a severance pay of not less than two weeks' pay for every year worked. The aforementioned is adequately provided for.

The company provides for the following when contemplating downscaling:

- An ex-gratia payment equivalent to one month's basic pay.
- 50% of the retrenchee's monthly basic pay for every completed year of continuous service, which is double the minimum amount required in terms of the Basic Conditions of Employment Act.

