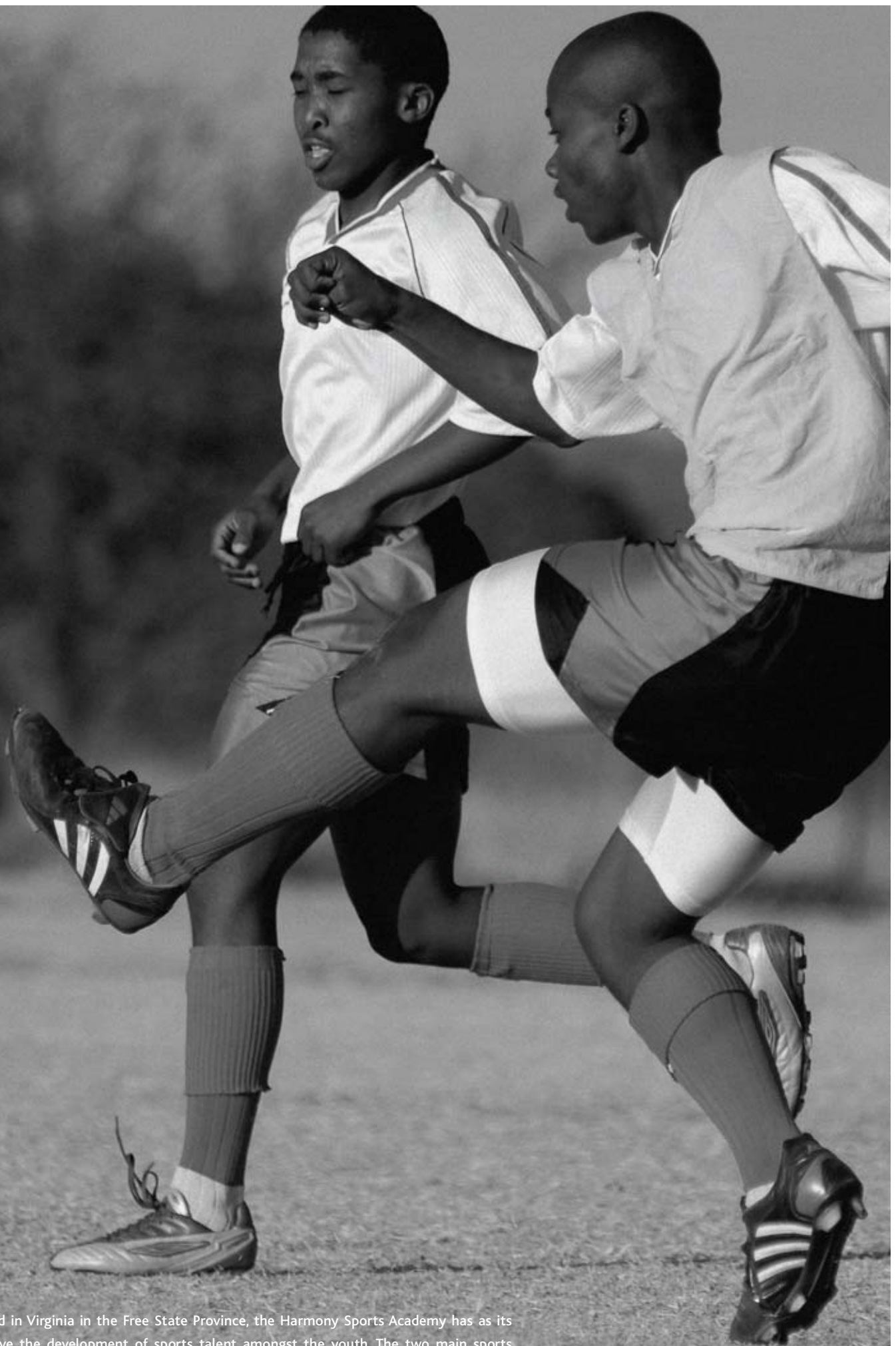


# On the ball

## Sustainable development report

Harmony has adopted an incremental approach to reporting on matters relating to sustainable development "in accordance with" the guidelines of the Global Reporting Initiative (GRI). In this section, we review our economic, social and environmental impacts on the communities in which we live and work.





Located in Virginia in the Free State Province, the Harmony Sports Academy has as its objective the development of sports talent amongst the youth. The two main sports activities currently are soccer and rugby.

## Message from our Chief Executive

### Dear stakeholder

This is the fourth year that Harmony has reported on sustainable development issues in a separate portion of the report. It is the second year that we have reported in accordance with the 2002 Guidelines of the Global Reporting Initiative (GRI), which is currently the standard in terms of sustainable development reporting and recommended by King II. It is also the second year that we have been admitted to the JSE's Socially Responsible Investment Index (SRI), which we are very pleased to have achieved.

We have adopted an incremental approach to GRI, and will continue to increase the level of reporting and disclosure as it makes sense to do so. In a company such as Harmony, where the "plan is the boss" and "substance counts", sustainable development issues that are an integral part of the running of our business (in terms of the bottom line) or risks that have been identified, are managed and reported at a group level. Those issues which are managed at an operational level are reported on at operational level, which is where they belong. We continue to improve our systems and reporting in this area and we are supplementing systems to be able to capture the appropriate level of information.

One such area where we are increasing our reporting is in respect of our environmental performance. Please bear in mind that statistics provided are initial and in years to come, as we refine our reporting procedures, they may be revised. We believe that this report provides a balanced and reasonable presentation of our economic, social and environmental performance.

While there is no doubt that mining has an impact on the environment, we believe these impacts can be managed, or can be balanced by positive impacts. One of the most significant impacts that we have had during the year was that we created direct employment opportunities for around 46 000 people at our various operations. Our impact is two-fold: most of the mines that Harmony operates today would have been closed by former owners; and both new and expansion projects that we are bringing on stream both in South Africa and Papua New Guinea, at a projected cost of R1.6 billion in FY05, will ensure that we have the resources to continue to provide employment in the years to come.

Other key areas of reporting for us are safety, health, social projects and HIV/AIDs, where we have made significant improvements in performance in FY05. Of note too is our reporting on the Mining Charter and Scorecard, which we have included in this section. Although this is not required in terms of GRI, but there is much repetition between GRI reporting and the reporting required by the Charter, so it makes sense to put the two together.

We would welcome your feedback on both our report and our efforts.



**Bernard Swanepoel**

2 September 2005

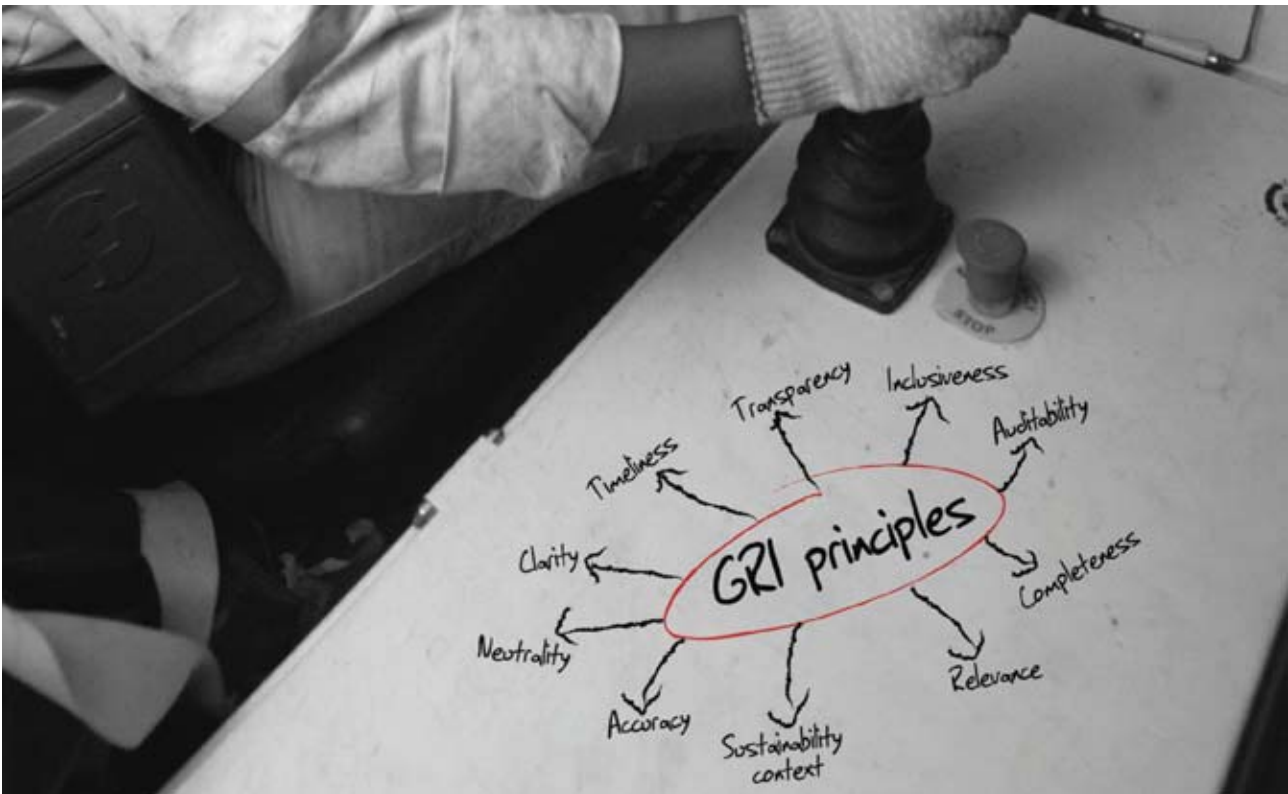
## Scope of the report

This report covers Harmony's financial year, from 1 July 2004 to 30 June 2005. During the period under review there has been substantial restructuring at Harmony's South African operations. A number of shafts have been downscaled and others have been placed on care-and-maintenance programme. This restructuring was necessitated by a combination of factors including a number of shafts reaching the end of their economic lives and the margin squeeze caused by the continuing strength of the South African rand against the US dollar. Further details may be found under the review of operations on pages 24 to 37 of this report.

Since most of Harmony's operations are located in South Africa, this report focuses on the South African operations, although some reporting on the Australian and PNG operations is provided.

Every effort has been made in preparing this report to ensure that the report is consistent with the GRI principles (below).

This report has not been externally audited.



We support the GRI principles

## Global Reporting Initiative (GRI)

GRI is a non-profit institution, whose mission is to develop and disseminate globally applicable sustainability reporting guidelines to assist organisations in reporting the economic, environmental and social dimensions of their activities. Reporting organisations adopt the GRI principles and reporting standards voluntarily.

### Sustainable development contact details and further information!

For further information on Harmony, please contact  
Company Secretary  
Marian van der Walt  
Tel: +27 11 411 2037  
Fax: + 27 11 411 2398  
Email: marian.vanderwalt@harmony.co.za

## Stakeholders

Harmony is very aware that the company has a wide range of stakeholders and is committed to engaging with them, through formal and informal channels:

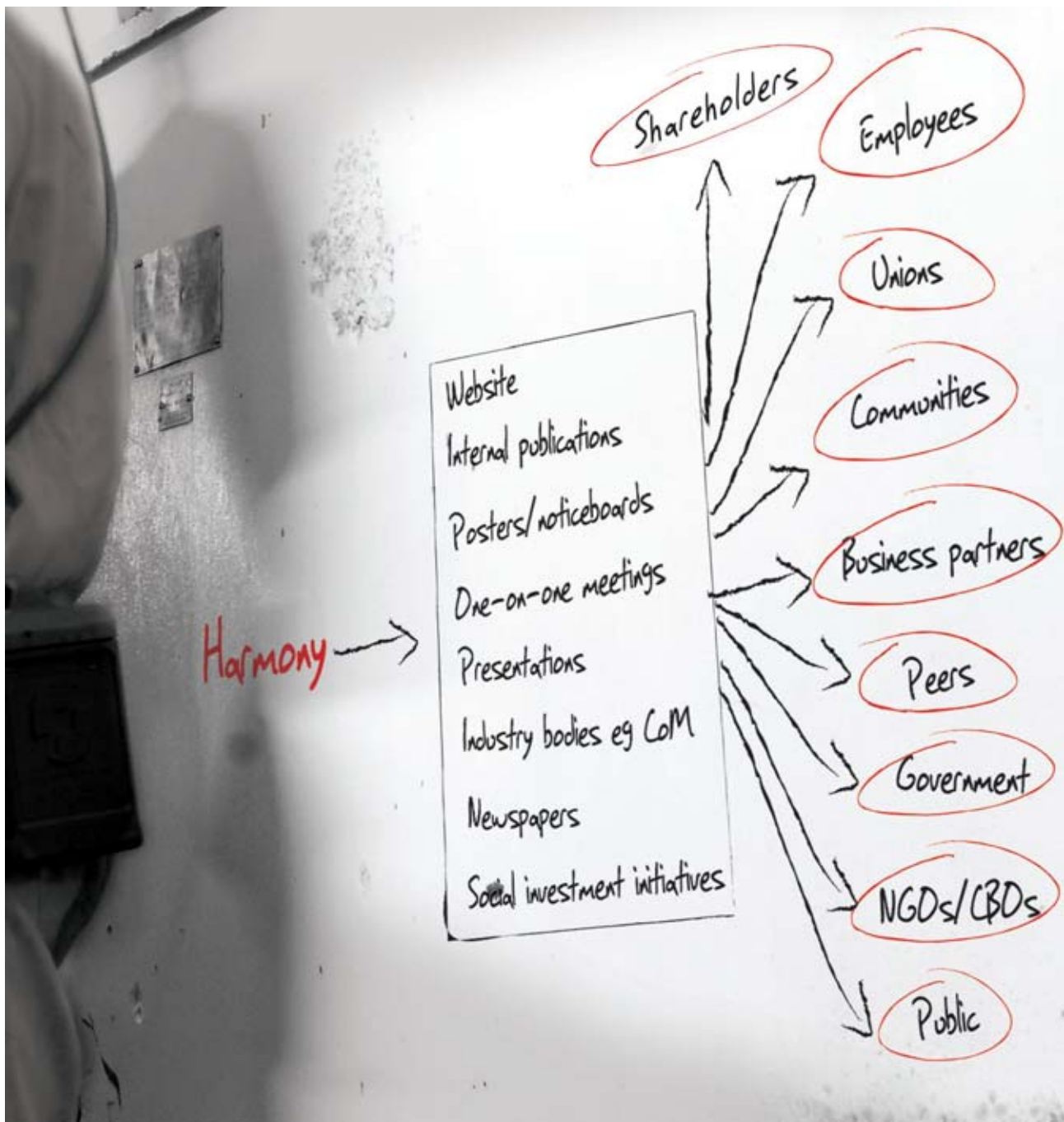
Our stakeholders include

- employees;
- unions;
- communities surrounding our operations and communities from which our workforce is drawn;
- our business partners and fellow mining companies;
- national, regional and local governments;
- our shareholders and other members of the financial community;
- our suppliers;
- our customers;
- non-governmental and community-based organisations; and
- the public at large.

We communicate with our stakeholders on an ongoing basis, directly and indirectly, through industry-based channels and through a wide range of media. We welcome and encourage two-way communication and have created a variety of forums to facilitate this.

Stakeholder engagement is conducted as part of the management of our operations or in the management of the sustainable development issue at hand, and not as a separate function. An indication of the various stakeholders in the different disciplines may be found in the discussion below.

Stakeholders are encouraged to alert us to further issues on which they would like to see us report on in the future.



We have an active programme of engaging with our stakeholders

## Risk management approach

Our approach to sustainable development centres around the principles of risk management. An enterprise-wide risk management programme is being implemented at Harmony following approval of this approach by the Audit Committee. This has involved the integration of risk management into our business processes so as to ensure that every decision – be it strategic or operational – is taken on the basis of a full understanding of the potential risks involved. A comprehensive discussion on risk management and risk factors can be found on pages 144 to 152 of this report.

## Structure and governance

The Sustainable Development Committee of the board is responsible for supporting, advising and providing guidance to management on issues pertaining to sustainable development. This board function is shared by two senior company executives, Bob Atkinson and Jackie Mathebula, who head up the internal sustainable development function. The structure and governance relating to the various disciplines in the management of sustainable development can be found in the various sections below.

## Financial performance in FY05

Harmony is a South African-based company with operations and projects in South Africa, Australia and PNG. The company's exploration programme extends into other parts of Africa, Australia, PNG and South America.

Detailed annual financial statements are found on pages 166 to 237 of this report, while a discussion on the structure and governance of the operating and financial affairs of the company may be found in the Corporate Governance section on pages 122 to 163.

Briefly, in FY05:

- Harmony produced 92 230 kilograms of gold (2.97 million ounces) down by 11% on the previous year. (This decrease was as a result of the restructuring of the South African operations).
- The average rand gold price received was R84 799 per kilogram, a decrease of 0.5% on the previous year.
- As a result of the lower production levels and the lower rand gold price, group revenues (or sales) decreased by 11% to R7.82 billion.
- Cash operating costs decreased from R8.21 billion to R7.55 billion.
- Net loss amounted to R3.46 billion, or R9.55 per share.
- No dividends were declared owing to the company's ongoing commitment to capital expenditure on long-term growth projects and the need to conserve cash.

We are confident that the restructuring process we have undertaken during FY05 will return the company to profitability.

The value-added statement overleaf provides a detailed account of the distribution of the wealth created by Harmony in FY05.

## Economic impacts

### Black economic empowerment

Harmony is committed to the development of the communities and countries in which it operates. Black economic empowerment (BEE) in South Africa is the process of bringing into the mainstream South African economy – through job creation, employment equity, management control, enterprise development, skills development, preferential procurement and social development – those people who were historically disadvantaged prior to the advent of democracy in South Africa.

The implementation of our BEE strategy takes place at a number of levels:

- through equity ownership of the company as a whole;
- by developing and encouraging the development of black-owned businesses through our procurement policies; and
- through the development and empowerment of our people.

The Broad-Based Socio-Economic Charter for the Mining Industry requires that South African mining companies achieve the following levels of ownership by historically disadvantaged South Africans (HDSAs):

- 15% of equity within five years of the implementation of the Mining Charter in May 2004 (that is, in 2009); and

- 26% within 10 years, in 2014.

Harmony has taken a number of steps to meet the Charter's requirements, including:

- the sale of 10% in Elandskraal to Khumo Bathong Holdings, a BEE mining company;
- the purchase of equity in Harmony by Simane, a BEE holding company;
- sale of 26% of the mineral rights associated with Doornkop to African Vanguard Resources;
- the merger with ARMgold, the only listed, black-owned South African gold mining company; and
- the Avmin/ARM transaction in 2004.

We estimate that we have achieved the equivalent of 25% BEE equity ownership.

## Harmony Gold Mining Company Limited and its subsidiaries

### Value-added statement for the year ended 30 June 2005

	FY05		FY04	
	R million	%	R million	%
Sales of gold	7 822		8 789	
Less: cost of materials and services	(3 974)		(4 279)	
Value added from trading operations	3 848	178	4 510	103
Income from investments	(1 685)	(78)	(124)	(3)
<b>Total value added</b>	<b>2 163</b>	<b>100</b>	<b>4 386</b>	<b>100</b>
<i>Distributed as follows:</i>				
<b>Employees (Including directors and management)</b>				
Salaries, retirement and other benefits	3 574	165	3 930	90
<b>Providers of capital</b>				
Dividends to shareholders	96	4	395	9
Interest on borrowings	505	23	412	9
<b>Government</b>				
Taxation	(803)	(37)	(305)	(7)
<b>Total distributions</b>	<b>3 372</b>	<b>156</b>	<b>4 433</b>	<b>101</b>
<i>Retained for reinvestment:</i>				
Depreciation and amortisation	829		933	
Impairment of assets	1 513		-	
Loss retained in the business	(3 551)		(980)	
<b>Total reinvested</b>	<b>(2 210)</b>	<b>(56)</b>	<b>(47)</b>	<b>(1)</b>
<b>Total distributions (including reinvestment)</b>	<b>2 163</b>	<b>100</b>	<b>4 386</b>	<b>100</b>

#### NOTES

##### 1. Total value added

Total value added decreased by 51% due to a decrease of 1 262% in income from investments and a decrease of 11% in the gold sales, which was offset by a decrease of 7% in the cost of materials and services.

##### 2. Total distribution to employees

The proportion of total distribution to employees and management decreased by 9%

##### 3. Taxation comprises

SA normal tax  
Deferred tax  
Foreign taxation

	2005	2004
	R million	R million
	7	46
	(879)	(346)
	69	(5)
	<b>(803)</b>	<b>(305)</b>

##### 4. Income retained in the business

Retained income excludes the share of income retained by associates so as not to distort the value added to raw materials, and comprises:

Retained loss for the year  
Share of retained earnings of associates  
Outside shareholders' interest in subsidiaries

	2005	2004
	R million	R million
	(3 551)	(919)
	-	(54)
	-	(7)
	<b>(3 551)</b>	<b>(980)</b>



Economic stakeholders

In addition, on 21 April 2005, we sold our 14% stake in ARM – our largest BEE shareholder – to the ARM Broad-Based Economic Empowerment Trust. This sale, which has been underpinned by Harmony, will broaden ARM's BEE empowerment base.

### Preferential procurement

Because of the historical inequalities in South Africa and the need to create opportunities for HDSAs, Harmony has developed a Preferential Procurement Policy. (Available on our website.)

The aim of this policy is to promote entrepreneurship amongst our local communities and amongst former employees, and to give emerging businesses the opportunity to gain access to the mining industry.

Our Business Development Unit assists in the start-up of new, empowered businesses and the conversion of traditional businesses into empowered businesses. The unit provides a regional platform for businesses that want to convert, or have already been converted, to trade with Harmony. In essence, it links our internal product and services requirements with the BEE supply market. We have very close relationships with business chambers like Sacob and Nafcoc, and the economic development departments of the local governments in the

areas in which we do business. With their assistance, we create opportunities for traditional businesses to link up with BEE partners and BEE suppliers to integrate into the mainstream of business.

Substantial progress was made on the transformation of our supplier base in FY05 as our current HDSA spend increased from 8% in FY04 to 28% in FY05. Over and above this, we spent R1 100 million in purchasing services from parastatals. During the year we revised our definition of BEE in line with the Department of Trade and Industry's Code of Practice so the year-on-year numbers are not strictly comparable.

### Research and development

#### Project AuTEK

Project AuTEK is a collaborative, South African-based research initiative involving gold producers, AngloGold Ashanti, Gold Fields and Harmony, and the Council for Minerals Technology, Mintek.

The research team comprises approximately 77% previously disadvantaged individuals. Research is conducted in collaboration with seven local and eight international universities in six countries.

The R4 million AuTEK biomedical programme, involving about 35 researchers, is funded jointly by Harmony and Mintek. Gold is well-suited for biomedicine because

of its resistance to bacterial colonisation and its potential for diverse therapeutic activity. The AuTEK biomedical programme has focused on developing gold-containing drug delivery systems; gold cationic complexes as potential mitochondrial agents; mixed metal chemotherapy drugs; anti-arthritis agents; new synthetic procedures to yield novel gold-based pharmacology; as well as toxicity studies. A major component of the current year's activities is the testing of anti-tumour drugs for anti-HIV activity and includes the development of new gold-containing drug compounds specifically aimed at combating HIV.

### Beneficiation

#### Harmony Refinery (Musuku)

Harmony is the only South African gold mining company with its own dedicated refinery and gold fabrication plant, located in Virginia in the Free State. This facility, along with the projects that it is involved in, not only contributes towards the beneficiation of gold locally, but also assists in creating employment and alleviating poverty in the region.

The Refinery has developed more than 15 product lines in four sectors, namely:

- gold bullion bars, comprising both large and small bars and granules;
- jewellery alloy, including plate, strip, grain and wire manufactured in 9ct to 18ct yellow, white and red gold for casting or bench work, fine silver



granules and crystals, sterling silver and low-tarnish sterling silver, solders as paste or blocks in gold, silver and platinum, bangles, wedding and coin blanks, semi-manufactured and custom-made orders;

- industrial gold and silver, including silver anodes for the electro-plating industry as well as 99.999% gold for high-purity applications, gold fuse wire and connections;
- dental alloys, including an extensive range of casting and bonding alloys, solders and wire meeting restoration requirements.

All products comply with local and international standards and where required custom-engineered products are available.

The Harmony Refinery uses the Minataur™ refining technology developed by Mintek. We continue to explore opportunities, both locally and internationally, to grow volumes and to improve factory utilisation, while being responsive to customers' requirements. The refinery has created 65 permanent jobs.

On 31 August 2005, Harmony was informed that its refinery, Musuku, had been admitted to the gold LBMA Good Delivery list.

The LBMA is the global representative body for all sectors of the market involved in the production and marketing of precious metals. It maintains a list of world-wide refiners that have met the Association's stringent requirements for assaying standards and bar quality.

Musuku is only the second South African organisation to be awarded this status.

### New Africa Mining Fund

In 2003, Harmony committed R30 million to the establishment of the New Africa Mining Fund (NAMF), of which R10 million has been provided. The fund was set up to facilitate the development of junior mining projects in South Africa and the rest of the African continent. It has, to date, invested in seven projects at various stages of development. Five of these projects are based in South Africa and the balance elsewhere in Africa. A further four projects are at various stages of approval.

The Fund's brief is to assist the junior mining sector and promote BEE. All deals entered into have to have a BEE component.

Other investors in the fund include ABSA, BHP Billiton, the Development Bank of South Africa, Decorum Capital Partners, Gold Fields, the Industrial Development Corporation, Kumba Resources and Sanlam Life Insurance. The combined capital committed was R563 million. A board of trustees, on which Harmony is represented, is responsible for setting policy and direction. The fund operates by acquiring significant minority positions in junior mining projects or ventures (ranging between 10% and 45%) by way of equity, quasi equity and debt instruments. The maximum amount allowed for investment in any single project is R85 million.

### Beneficiation projects

Harmony is involved in a number of beneficiation projects:

#### The Harmony Jewellery School

Established in November 2000, this project aims to create a jewellery manufacturing hub in the Free State Province. The school operates as a satellite of the Central University of Technology of the Free State – 32 students are currently enrolled in the 2005 National Diploma Course in Jewellery Manufacturing and Design. Another 40 students are enrolled in the Further Education Training learnership programme. The National Certificate in Jewellery Manufacturing (NQF level 3), developed as part of this project, will serve as a bridging programme to the National Diploma Course.

15 M-Tec and B-Tec degree students from across the country are enrolled in the Technology Human Resources Innovation Programme. These students are being trained in the use of computer-aided design (CAD) specifically related to jewellery design, and research and development.

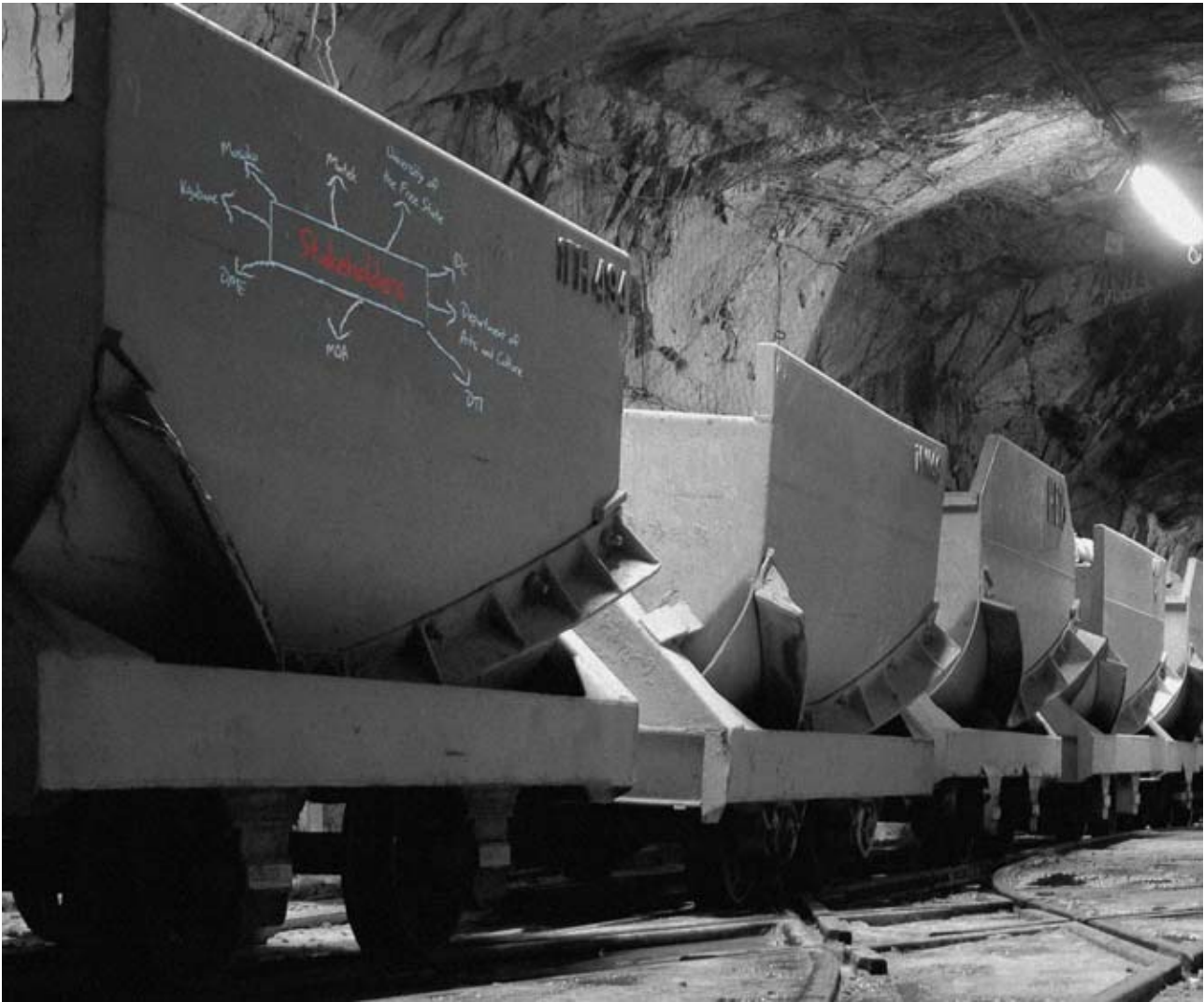
Harmony continues to support a number of National Diploma Students. In addition, we have supplied the building for the facility and contribute towards its running costs.

#### The Kgabane project

"Kgabane" means precious in Sesotho. Since its inception in 2001, and with the financial assistance of Harmony Gold and the Mining Qualifications Authority (MQA), the Kgabane project has been involved in providing training in metal jewellery skills. Kgabane has assisted in the establishment



Our research and development stakeholders



Our beneficiation stakeholders

of community-based jewellery producer-groups involving rural, peri-urban and impoverished urban areas. To date, 418 people have been trained and 26 producer-groups have been established. Of the people who have been trained, 90% are women, 10% are disabled persons (men and women) and 50% are youths. (In this context youths are categorised as between 18 and 35 years of age).

The groups have been provided with equipment and manufacturing facilities, as well as Kgabane trainers who assist with continuous technical skills training. To further strengthen this aspect of development, Kgabane is working with crafters from Mali to implement the development of low-cost indigenous technologies that are used in Mali and Ghana in jewellery manufacturing. The implementation of this indigenous technology programme seeks to enhance

productivity, efficiency and competitiveness, specifically of rural groups, where there is little access to modern technologies. The raw material groups use copper, silver and gold (the latter, when they have access to secure workshops). A number of basic and formal workshops have been run in these communities.

Location of Kgabane groups in all nine provinces:

1. Western Cape – Gugulethu (formal workshop) and Knysna
2. Northern Cape – Sishen (formal), Kuruman, Postmansburg
3. Eastern Cape – Flagstaff (formal) workshop, Butterworth
4. Limpopo – Tzaneen, Giyani and Thabazimbi
5. KwaZulu-Natal – Mbazwana, Maphumulo, Botha's Hill, Nkandla
6. Free State – Welkom

7. Mpumalanga – Hazyview, Pilgrim's Rest, Graskop
8. Gauteng – Winterveld, Alexandra
9. North West – Mogoegoe Village

The process begins with the selection of people in communities (with the assistance of local structures); training then follows using base metals, the follow-up training happens at Mintek (where groups can manufacture with gold). Working facilities are set up in communities where groups continue to receive support from Kgabane to improve the quality of their products and to generate sustainable income. The important element of this programme is the commercialisation of these producer-groups for building livelihoods for people.

A relationship has been established with a network of retailers who distribute Kgabane products that are sourced from the various producer groups.

## Awards

Harmony recently received a number of awards from Professional Management Review, a local publication, for contributions specifically to the Free State Province.

- For doing most to enhance the province's economic growth and development – first overall
- For Social Responsibility Initiatives In fighting HIV/AIDS in the province – overall winner.
- For attracting local investors to the province – Excellent-1st overall.
- For Corporate Social Responsibility Initiatives – 2nd overall.
- For doing most to enhance Black Economic Empowerment in the Free State Province – Finalist



A special programme targeted at the development of youth talent is now operational, based at Mintek in Johannesburg and in Cape Town. This programme aims to assist young black emerging jewellery business owners with technical know-how, communication infrastructure and access to business skills.

### South African Minerals Pavilion

Located at Johannesburg International Airport in the international departures area, the South African Minerals Pavilion was funded by Harmony. Launched on 8 April 2004, the Pavilion has become a primary jewellery showcase, targeting investors and tourists alike. Jewellery from various prominent South African manufacturers is currently displayed, as well as a wide range of arts, technologies and features on people associated with the beneficiation and value-adding industries of South Africa's mineral wealth.

It includes value-added pieces and artefacts from the country's national heritage, museums, including items from the earliest settlements in the renowned Mapungubwe area in Limpopo Province, have been included in the exhibitions.

The Pavilion receives a number of international guests daily, some of whom are in the jewellery trade and have expressed an interest in investing in the South African jewellery market.

It is managed by a team comprising Kgabane, Mintek, the DME, the Department of Arts and Culture, and the Airports Company of South Africa.

Kgabane has commissioned a study to determine the strategy for the Pavilion going forward, which will define the marketing and distribution strategies. Various management structures have been proposed, together with plans for the continued sourcing of funding for the Pavilion.

### African Jewel Self-Help Group

This jewellery training programme focuses on beaded designer jewellery. Three projects are currently in operation, funded by the MQA, and involve 90 people in the three Harmony areas, of Randfontein, Orkney and Carletonville. Each site has around 30 people mostly women and an approximate split of 50:50 between disabled and able-bodied

persons. Training is provided at the NQF level 2.

The jewellery produced uses silver, platinum and pearl-coloured beads (as opposed to traditional bead colours) and pieces are custom made to international customer designs.

African Jewel supplies international markets in countries such as Germany, United States, Canada, the United Kingdom, Australia and New Zealand.

### Beneficiation exhibitions

The Harmony Jewellery School and the Harmony Refinery have exhibited at recent Jewellery and Sitex exhibitions over the past year.

### Beneficiation legislation

Harmony is currently involved in a Chamber of Mines working party on the beneficiation requirements of the Mining Charter and will continue to work with the Chamber and the DME to develop and promote beneficiation in the country.



Established in 2000, the Harmony Jewellery school currently has 72 enrolled students, and aims to create a jewellery manufacturing hub in the Free State Province.

## Social impacts

### Human capital

At the end of June 2005, Harmony employed 46 996 employees, made up of 46 598 permanent employees from the South African operations and 398 employees from the Australasian operations. The decrease in permanent employees from 52 992 people in FY04 related to the closure of a number of shafts at the South African operations that had reached the end of their economic lives and the restructuring of operations to return them to profitability in the current climate of rand strength. In addition, the company employed 6 592 contractors during the year, 5 012 in South Africa and 580 in Australasia.

Since the company embarked on its acquisition trail in 1995, it has consistently created and maintained jobs, particularly at those operations it has acquired that would have been closed under the management of its previous owners. It has also implemented CONOPS, which is an alternative working arrangement whereby operations continue every day except for 12 public holidays. The implementation of CONOPS very often leads to the creation of additional jobs.

### Employment statistics - June 2005

	Permanent employees	Contractors
South Africa	46 598	5 012
Australasia		
Australia	198	555
PNG	200	35
<b>Total Australasia</b>	<b>398</b>	<b>580</b>
<b>Grand total</b>	<b>46 996</b>	<b>6 592</b>

### Statistics

In May 2005, Harmony issued Section 189 notification (which allows for a 60-day notice and consultation period in terms of the South Africa Labour Relations Act) to a number of affected operations relating to the proposed restructuring of the Free State operations. At the same time, through negotiations with the NUM, we were able to achieve an amicable agreement in respect of restructuring and job-loss avoidance measures. While the agreement provided for the implementation of CONOPS at Bambanani, Tshepong and Masimong, it also provided for: voluntary separations of 1 110 employees; the replacement of non-specialist contractors with Harmony's own employees; the transfer of employees to vacancies at other operations; and compulsory separations as a last resort.

Subsequent to year-end and on the finalisation of the restructuring in the Free State region, the following employment reductions were effected:

Voluntary separations:	1 411
Compulsory separations	2 090
Replacement of contractors	1 021
Total employment	4 522
opportunity reduction	4 422

A further 1 745 employees were transferred into key position vacancies within the rest of Harmony, thereby minimising retrenchments. The implementation of CONOPS has saved another 1 610 jobs.

The 19.7% decrease in employment levels from FY04, combined with the redeployment of some 3 900 people into

production jobs through CONOPS, means that our labour cost base is now aligned with our restructured production base.

### Internal marketing

At Harmony, we know that our employees have a choice: firstly, they can choose to work for Harmony, and secondly, if employed by Harmony, they can choose whether or not to wholeheartedly contribute their efforts towards the company. The Harmony Way is founded on four basic principles: attitude, teamwork, a business approach to mining and a focus on stakeholders. The Harmony Way manual provides an explanation of the principles and values that form the foundation of how Harmony works. Alongside our philosophy of the Harmony Way are two other concepts that the people of Harmony hold dear:

- the People's Dream is the vision for the fulfillment of the needs of the individual through a wide variety of means.
- The Brand Print, which embodies the values of our company, describes what Harmony is, the behaviour of Harmony people, the way we speak to and treat one another, and how we make Harmony magic through people.

In FY05, we launched two new initiatives, Harmony Heartbeat and HarmonyFM.

Harmony Heartbeat was born out of the need to integrate our various internal marketing campaigns that cover topics ranging from occupational health and HIV/AIDS, to sports and recreation and the wellbeing of our employees. Our aim, through Harmony Heartbeat, is to align the individual's personal and career goals with those of the company. The ultimate challenge of Harmony Heartbeat is to develop and implement a Harmony lifestyle and culture, focused on personal well-being. It seeks to empower employees, – through education and information – and to make positive lifestyle and work choices. Apart from the obvious benefits to the individual (in terms of health and safety, etc), this programme has the potential to have a real impact on Harmony's bottom line, through increased productivity and lower healthcare costs.

Through HarmonyFM (our own edutainment radio station), we are currently able to reach about 40 000 employees and, in the near future, their family members on a regular basis, to share information of value, to instill pride in mining and in our company, and to communicate our business strategy and our values. The radio station, which is in the process of applying for a low-power broadcasting licence, focuses largely on those issues of importance to Harmony employees and the communities in which they live.

HarmonyFM is supported by Woza Nazo (on-shaft communications groups which provide news and entertainment), an SMS database (for requests, dedications and competitions to encourage employees to participate) and a toll-free phone-in line for requests and dedications and to encourage active participation in discussions.

### Relationships with employees and unions

Labour relations in South Africa are regulated by legislation that entrenches the rights of employees in respect of:

- prescribed minimum levels of compensation and benefits;
- trade union access and membership;
- the right to strike;
- mandatory compensation in the event of termination for operational reasons;
- affirmative action policies and programmes;

- compensation in the event of occupational illness or injury; and
- financing of training programmes.

In the mining industry in particular, the relationship at work between unions, the company and the state (the so-called tri-partite relationship) is strictly governed and provides for consultation and joint management of many operational issues, including for example, health and safety.

The major unions present and recognised by Harmony are: the National Union of Mineworkers (NUM), the United Association of South Africa (UASA), Mineworkers' Solidarity and the South African Electrical Workers' Association (SAEWA).

We encourage employees and their representative unions to understand our business and make a positive contribution towards it. This is done through decision-making forums and task teams that address issues such as housing, health care, HIV/AIDS, job grading, the social plan, restructuring and women in mining.

A disciplinary code is in place, which provides a channel for any aggrieved employee to take up the grievance at the appropriate level.





Labour relations stakeholders

### Strikes at Harmony in FY05

Dates	Location	Reason	No of shifts lost
23 March – 6 April 05	Free State	Unresolved issues such as housing, outsourcing	277 452

### Union representation at Harmony in South Africa

NUM	78.5%
UASA	7.2%
Solidarity	2.0%
SAEWA	0.2%
Balance	12.1%

Post year-end, a four day industry-wide wage strike effectively halted production on all of our South African operations at a provisionally estimated cost of R60 million.

Employee relations in Australia are regulated by a combination of federal and state statues which stipulate minimum standards and provide for collective bargaining and action. All employment contracts are Australian Workplace Agreements under federal legislation. Our Australian workforce is not unionised.

### Employee benefits

Harmony provides numerous employee benefits to employees. Many of these, particularly in South Africa, are either mandated by law or are negotiated as part of our collective bargaining processes.

### Legislation governing the workplace in South Africa

Labour Relations Act, Basic
Conditions of Employment Act
Occupational Diseases in Mines and Works Act
Occupational Health and Safety Act
Employment Equity Act
Mineral and Petroleum Resources Development Act

### Harmony's Social and Labour plan

Harmony was the first South African mining company to sign a collective agreement with the NUM on a Social Plan framework in 2003. A Social and Labour Plan is a requirement of the MPRDA. The Social and Labour Plan addresses the reality that all mines have finite lives and requires that all stakeholders (the company, employees and unions and the state) be proactive in devising strategies to deal with skills development of current employees, retraining of employees if they are retrenched and the social upliftment of communities surrounding operations and in labour-sending areas. An integral part of these plans is the promotion of economic activities in and around mining areas that will ensure sustainability of these communities after the mine has closed.

The collective agreement signed with the NUM on the Social and Labour Plan provides for the establishment of a Trust Fund and Future Forums at all Harmony operations.

Harmony established a Social Plan Trust Fund in 2003, with an initial contribution of R3.5 million, and a further commitment of R35 million per annum over 10 years. The Fund will be used to train employees with portable skills so as to ensure that they have alternative sources of income or employment after mine closure or restructuring. The training processes are conducted in partnership with unions and government authorities.

Future forums have now been established at most of the Harmony operations to deal with issues of productivity improvement, minimising job losses and limiting the impact of retrenchments where these cannot be avoided. The future forums comprise management and union representatives at each operation. However, the implementation of what is agreed requires interface with portable skills training providers, the community and the government.

We have engaged the Mines Development Agency (MDA) and Teba Development to identify and undertake sustainable development projects in line with our social plan framework in the major labour-sending areas of South Africa and in neighbouring countries. These include the

Alfred Nzo, Chris Hani and Ukhahlamba municipalities in the Eastern Cape, Lejveleputswa and Thabo Mofutsanyana municipalities in the Free State, Amajuba municipality in KwaZulu Natal, Central and the South-Eastern District municipalities in Gauteng. A number of projects have been initiated during the year, ranging from education to poverty alleviation.

### Training and development

We believe that training and development is the cornerstone of operational success and is necessary for sustained value creation. We want to create an organisational climate where technically skilled, self-motivated, thinking people will excel to their full potential. Training and development has been integrated into our core business processes and our working environment is geared so that the empowerment of production teams and individuals is recognised and rewarded. As part of this, talent development and coaching has become a core competence and responsibility of our line managers.

In the FY05, Harmony invested in excess of R100 million in people development through our training department. We received R21 million in grants for our various training and development activities. We are planning to increase the amount of grants received in the coming years by ensuring that all our training meets the requirements of the Mining Qualifications Authority (MQA). In the coming year, we will endeavour to collate the training and development costs that are incurred under the operational budgets.

Harmony's training and development programmes include various initiatives:

### Business leader development programme

The company's Leadership Development Programme is presented in association with the University of the Witwatersrand's Business School. Harmony recognises the need to develop a strong leadership platform to achieve its long-term vision for growth and profitability.

The programme covers leadership competencies required for Harmony business leaders, as well as other generic leadership skills. The study areas covered by the programme include strategic management, leadership, people management, business acumen (financial

management), internal marketing and personal mastery, change management and diversity management, and end with projects by each of the participants that may be implemented to improve performance within Harmony.

The first intake of the programme resulted in 28 participants graduating in February 2005, while a second intake of 35 people will graduate in September 2005. The third intake began in May 2005, and the fourth intake will commence in March 2006. The total cost of the programme per intake is about R1.5 million.

### Mining skills

Harmony received accreditation from the MQA to conduct mining training for our employees, which will be unit standards-based according to the National Qualifications Authority (NQF). Training on mining skills (or new skills) is based on the business requirements of various mining operations to meet their business plans objectives.

In FY05, a total of 6 882 employees went through the training centre, located in Welkom in the Free State and received training on various mining skills. A total of 65 different skills sets are offered at the training centre.

### Harmony's Bridging School

Harmony's Bridging School is aimed at providing Harmony with trained and educated potential employees; and to offer potential employees an opportunity to improve their National Senior Certificate results alongside other skills in order to enter into exciting careers within Harmony.

Specifically, the Bridging School is targeted at historically disadvantaged matriculants (final year school-leavers) who, because of poor National Senior Certificate marks, would not normally be accepted into tertiary institutions. Twenty successful applicants are selected every year for the 10-month programme, largely from areas surrounding Harmony's operations, traditional labour-sending areas or who are dependents of Harmony employees.

Key focus areas include:

- education, specifically in improving senior certificate results in mathematics, physical science, English, and accounting;
- teaching basic technical drawing, computer and life skills;



## Training and development statistics - South Africa

Programme	FY05 Number of learners	FY04 Number of learners
Bridging school	19	20
Bursaries at tertiary institutions	27	27
Junior engineering programme	10	20
Mine manager programme	28	44
Mine overseer programme	7	20
Miner programme	80	125
ABET full-time	247	240
ABET part-time	548	801
AFET part-time	278	204

Note: the training statistics above are only with respect to skills development at a group level and exclude the number of training programmes and learners at specific operations and service departments.

- basic business management processes using Harmony as a case study;
- drivers' licences.

Since inception, the bridging school has provided Harmony with 180 trained personnel. In 2004, the programme delivered 20 learners, with a 100% pass rate with an average of 60% in all the subjects. All 20 students were incorporated into Harmony's Talent Pool for further training and development. For the 2005 academic year, 19 students were enrolled in the programme.

In 2004, the cost to company to run the programme was R750 000, and this increased to R960 000 in 2005.

The ex-Bridging School Students in Engineering have, for the past four years, achieved industry recognition by winning the Mine Managers' Shield for the best group of apprentices in the mining industry as a result of their excellent technical college results.

### Bursary scheme

The bursary scheme provides financial and other support for talented individuals (mainly from historically disadvantaged backgrounds) to attend tertiary institutions. There were 27 active bursars in FY04, the

same number in FY05. The cost to the company of the bursary programme is about R1.1 million per annum. Bursaries are offered in the fields of mining, engineering, geology, survey, sampling, metallurgy and accounting.

### Study assistance programme

Harmony offers study assistance to any employee who wishes to study in any field that is relevant to the business of gold mining. Employees use this opportunity to further their studies at various educational institutions. During the FY05, there were 118 employees who participated in the study assistance programme at a cost of around R722 000. The commitment by Harmony to help employees develop themselves by studying further is not linked to budget constraints, but based on the interest shown by employees during the year.

### Fall of ground training

To comply with new legislation prescribed by the DME, lower level employees (category 3 to 8) are in the process of being assessed against standards of knowledge and then trained in specifically fall of ground training. Falls of ground represent the most significant safety threat underground. To date, 47% of targeted employees (numbering 10 476 employees) have been assessed and trained.

### Engineering Technical Training

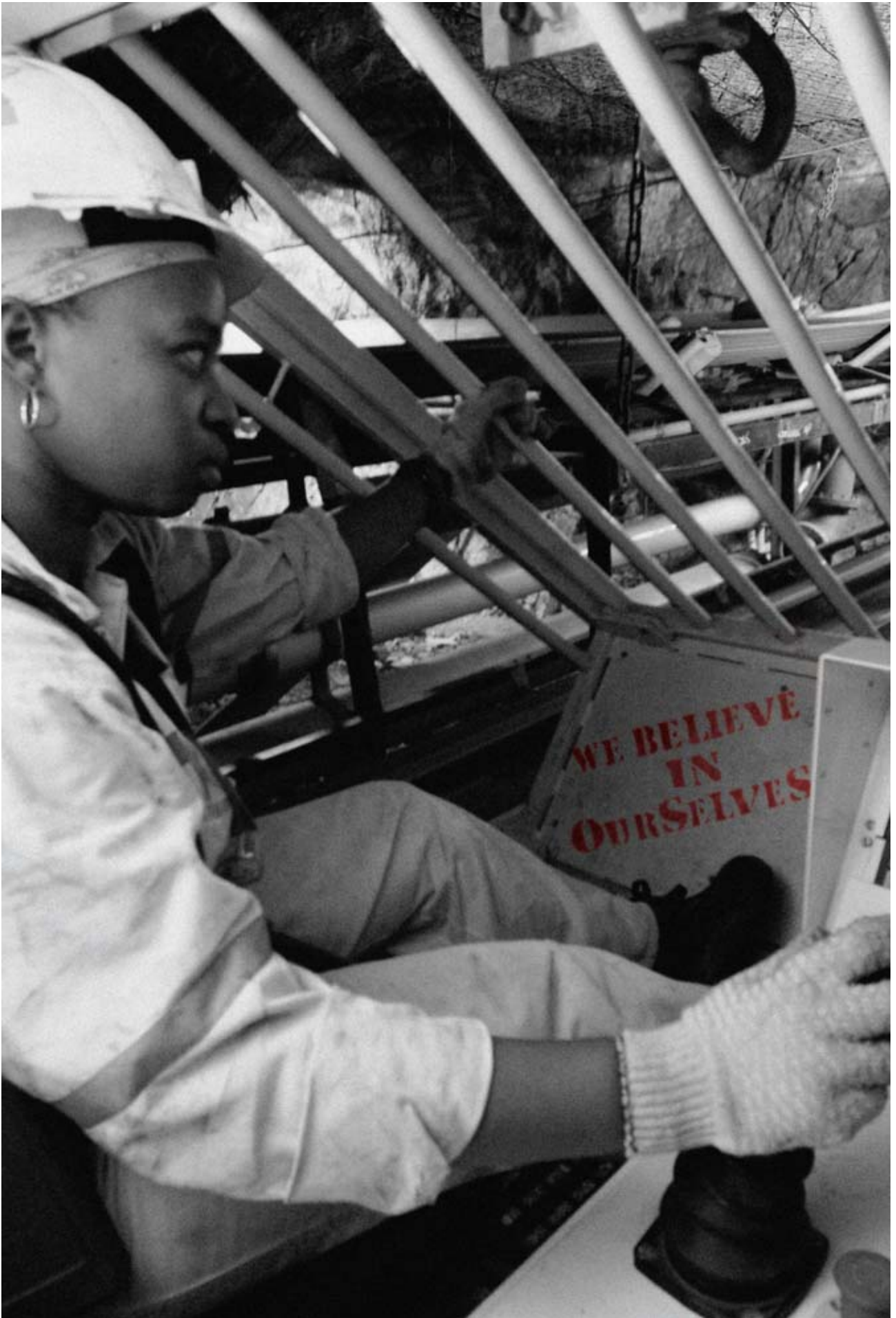
Engineering technical training is aimed at improving the competencies of both new and existing employees through learnerships, refresher courses and the junior engineering programme. A special emphasis was placed during the year on the women in mining programme, which will see 50 women being trained as artisans in the coming year. Trainees are offered knowledge (off-the-job) and practical training (on-the-job). More than 120 employees were exposed to some form of technical training during the year, at a cost to the company of R12.6 million.

Key successes of our technical training and development programme include:

- training of seven employees (17% HDSA employees) as mine overseers. 88 employees were trained as mine overseers in FY03 and FY04 (77% HDSA employees).
- training of 80 licensed miners in FY05. Some 350 were trained in FY03 and FY04.
- Training of 6 447 employees in FY05 in "new skills" or elementary mining skills.

### Adult Basic Education (ABET)

There are nine ABET centres located close to our various mining operations. Harmony employs 76 ABET facilitators, 22 of



whom are currently enrolled on the National ABET Practitioners' Learnership Programme sponsored by the MQA. A total of 1 073 learners participated in various ABET learning programmes including Adult Further Education and Training (AFET – 278 learners), ABET part time (548 learners), and ABET full time (247 learners) at a cost of R23 million excluding learners' salary costs.

### MQA registered

As a training provider, Harmony has full accreditation with the sector regulatory body, the MQA, and is ISO 9001 registered. This means that any qualifications gained at Harmony are recognised and portable within and outside of our sector.

### Talent pool

We have adopted a systematic approach to talent development and retention and have established a talent pool consisting initially of 130 participants, some of whom are Harmony bursary holders and others are high potential young employees from internal training programmes like junior engineers or high potential employees who are in permanent positions. The participants in the talent pool are mainly HDSA employees or the designated groups in terms of the Employment Equity Act. Talent pool participants are coached and

mentored to prepare them for management positions in the future within Harmony in line with our succession management strategy.

Talent management has now been extended to leadership positions within Harmony to ensure that the company has human resources requirements to fill all key positions to run its business. Succession management pools have been established per discipline to identify high potential employees that have shown consistent high performance to fill the next higher-level positions. Our main focus at this stage has been mining talent and we will be rolling out this programme to other areas including service departments and succession to the executive committee members.

### Employment equity

Harmony supports employment equity in the workplace in line with our business strategy, the Mining Charter, the MPRDA and the Employment Equity Act. We believe that employment equity is not merely about meeting targets, but about optimally engaging with all employees and developing and utilising their skill in our changing business environment. The Harmony Way involves flat structures, empowerment and coaching of our people. The majority of our

employees are drawn from HDSA segments of our population and we are making good progress at Harmony in advancing this group into management positions.

The Mining Charter has set targets for the recruitment and advancement of HDSAs and women within the company:

- 40% HDSA participation in management by 2009; and
- 10% participation of women by 2009.

The Employment Equity Act is aimed at promoting equal opportunity and fair treatment through the elimination of unfair discrimination; and the implementation of affirmative action measures to redress the imbalances of the past.

It is our intention to exceed the targets set by the Mining Charter and the objectives set in the Employment Equity Act, and to have a 35% HDSA representation in management in FY06. In FY04, we reported HDSA representation in management of 28% with a target of 30% in FY05. In FY05, we achieved 31% HDSA representation in management.

We formalised our employment equity strategy in 2000 and have submitted our employment equity plans to the Department of Labour annually since then. Our employment equity programme is decentralised in that it focuses on developing and implementing employment equity plans on the various shafts.

Ownership of employment equity implementation in Harmony rests with the Chief Executive. Line management is responsible for people management and thus for ensuring that employees from the designated groups (women, blacks and the disabled) are developed according to their career aspirations and potential.

### Women in mining

Attracting women to the mining industry and keeping them here has proved to be a challenge, but we are confident that we will be able to meet the targets set in the Charter.

Specifically to promote women in mining, we developed and implemented a new

### Employment equity - South Africa

	Total		% HDSA		% Women	
	FY04	FY05	FY04	FY05	FY04	FY05
Executives (incl. directors)	24	19	40	26	20	10
Senior management	229	230	18	35	6	14
Professionals	1 028	256	39	31	6	13
Technically-skilled	7 165	6 420	66	61	6	7
Operators, clerks and discretionary decision-making	44 565	39 673	98	99	3	4
<b>Total</b>	<b>52 992</b>	<b>46 598</b>	<b>92</b>	<b>93</b>	<b>4</b>	<b>5</b>

### Employment statistics - mining operations - South Africa

	Total		% HDSA		% Women	
	FY04	FY05	FY04	FY05	FY04	FY05
Mine manager/ mining manager	30	40	20	23	3	4
Production Coach/Mine overseer	88	252	38	28	0	0
Coordinator/Shift boss	586	380	28	36	0	0
Miner	1 507	1 584	82	86	0.4	2

sexual harassment policy and a pregnancy policy which protects the rights of both the mother and foetus. Sexual harassment officers have been appointed on all of our shafts. In addition to new changehouse and other facilities that have had to be put in place on surface and underground, additional accommodation has also had to be established.

### Human rights

Harmony is guided by the South African constitution, South Africa's endorsement of various International Labour Organization (ILO) principles relating to the employment of minors, freedom of association and forced labour, the Labour Relations Act, Employment Equity Act and other legislation, and various agreements that are in place with our various recognised unions. We require that our contractors act in accordance with similar principles.

In respect of child labour, in particular, it is Harmony's policy not to employ any person below 18 years of age and strict application of this principle is applied in our recruitment programme. We believe that employees have the right to work in an environment which is free from any form of discrimination, directly or indirectly, and we have systems and mechanisms in place to deal with related grievances should they arise.

### Housing and nutrition

The majority of our employees (60%) reside in mine hostels in close proximity to our shafts. Their families reside either in distant, rural settings in South Africa and neighbouring countries or around our mines. Apart from providing accommodation to employees in hostels, we also make provision for family accommodation at mine villages.

A living-out allowance is paid to those employees who choose not to reside in mine-provided accommodation. A total of 11 726 employees (25%) of our employees receive a living-out allowance.

Harmony has, over the past two years, embarked on a process to improve the

standard of housing provided to employees. This includes the upgrading of hostels, the conversion of hostels to family units, and the promotion of home ownership schemes. We approach our housing projects with the aim of integrating them within the planned developments of local municipalities, and with the aim of providing significant and sustainable infrastructure to these communities as a whole.

Planning is undertaken by a centralised, joint union-management housing committee.

One of our primary current drives is to improve the level of privacy of individuals within our hostels. Currently, our hostel density ranges from three to six people per room and we aim to reduce this to a level where each individual has an acceptable level of privacy.

In FY04, R16 million was spent on hostel upgrading and conversions, and this amount was increased to R30 million in FY05.

Another area of focus has been to improve the level and variety of meals served to residents. This has been done in consultation with the NUM, and with the assistance of a consulting dietitian. Quarterly audits are undertaken to ensure a high level of nutrition.

### Political donations

Harmony recognises that in the young South African democracy, every effort needs to be made to stimulate and support the democratic process. As part of this, Harmony has developed and implemented a Funding of Political Parties Policy which spells out the basis of financial support provided to political parties. This policy is available on our website. The Board sub-committee makes available a sum for distribution as donations to political parties prior to each national election on an equitable and proportional basis.

We believe that as we represent a wide spectrum of the population through our

stakeholders (e.g. employees, investors, suppliers), it is appropriate to assist political parties proportionate to their constituent support base (calculated according to their support in previous elections).

### Corporate social investment

Harmony is committed to being a responsible corporate citizen that recognises the interests of others and the role that the company plays in its communities.

It is Harmony's policy to set aside 3% of net profit for the purposes of corporate social investment. During FY05, the strong rand and other factors had a negative impact on profitability and, therefore, this limited the number of corporate social investment projects in which we have been able to participate. However, even during these testing times, we have continued to support the most deserving and worthwhile projects.

Harmony has been involved in a range of corporate responsibility initiatives, both big and small, and spent some R20 million on these in FY05.

Harmony's corporate social investment initiatives cover five areas:

- education, which is important in the development of any society and plays a critical role in the transformation of South Africa. Harmony's contribution focuses on the areas of science and mathematics and on supporting the South African education system by providing infrastructure, such as schools, libraries, laboratories and educational materials. Harmony is also involved in Harmony Jewellery School (See beneficitation section).
- socio-economic development, including investment in projects associated with HIV/AIDS, job creation, the eradication of poverty and community safety.
- beneficitation, including investment in education and jewellery manufacturing initiatives;

- arts, sports and recreation, in partnership with various sporting codes and organisations; and
- other areas, depending on the needs identified.

An objective for FY06 is to centralise our corporate social investment initiatives and expenditure so as to assist in planning, tracking and control and to ensure the projects in which we invest align with local municipal economic development plans and integrated development plans.

Three long-term projects are the South African Mathematics Foundation, the Harmony Sports Academy and the Harmony Athletics Club.

### **South African Mathematics Foundation**

Harmony is the primary sponsor of the South Africa Mathematics Foundation and the Annual Mathematics Olympiad, which is aimed at promoting and developing mathematics in South Africa.

The Foundation has two aspects:

- Mathematics Olympiad, which focuses primarily on the learning and development of talented students; and
- a focus on the educator (teacher) education and development, with an emphasis on problem-solving initiatives and workshops.

In FY05 Harmony contributed just over a R1 million rand to the Mathematics Foundation. The winner of the Mathematics Olympiad may qualify for a Harmony university bursary, should the student's selected field of study meet the Harmony bursary criteria (such as mining and engineering). A past winner is currently studying engineering at Stellenbosch University, courtesy of Harmony.

### **Harmony Sports Academy**

The Harmony Sports Academy is situated in Virginia in the Free State Province. Its main objective is to develop sports talent

amongst the youth. The two main sports activities are soccer and rugby.

The sports academy is run through a partnership between Harmony and the Sports Trust, South African Football Association (SAFA) in the Northern Free State region, Department of Education (Free State), Department of Sport and Culture (Free State), Department of Tourism and Economic Affairs, Matjhabeng Local Municipality, and participating schools and tertiary institutions. Harmony made land and buildings (of which three have been completely refurbished and another two refurbished on the outside) available for the running of the academy. The company has also committed to the running costs of the academy for the next five years after which the community, through the local municipality and the provincial government, will run the academy. The total commitment by Harmony is estimated to be R45 million, including running costs and the value of land and buildings.

To date, our students have achieved tremendous success in both their sporting disciplines and in their academic schooling, both funded and supported by Harmony.

The Soccer Division has 32 students. The Harmony Sports Academy team won the Free State Coca Cola Cup for 2005, and reached the semi-finals in the national competition held in April 2005. Two students represented South Africa at the 2005 under-17 African Cup youth tournament held in Gambia. The under-16 team won the Free State Provincial Cup at Thabong and will now progress to a national tournament to be held later this year. An Academy player, Tumelo Mokwa, (17) was recently included in the South African under-23 squad to play Botswana.

The rugby division has 23 students who compete in regional and national competitions. The academy team competes

in the Northern Free State tournaments; it has nine Craven Week (an annual youth inter-provincial rugby tournament) players and eight players in provincial squads. The academy team recently won the Northern Free State schools under-18 league, beating other traditionally strong rugby schools along the way.

The academy has, over the past two years, had five students chosen to attend the South African Rugby Union (SARU) under-16 Green Squad (Future Springboks).

### **Harmony Athletics Club**

The Harmony Athletics Club's objective is to raise awareness of middle- and long-distance road running among South African youth and talented athletes. The club has about 2 800 licensed and unlicensed members and has become one of the fastest-growing clubs in South Africa. More than 46% of the top 10 finishes in South Africa's premier races are Harmony athletes. Ten development clinics have been held in eight provinces during the year aimed at promoting the sport and instilling the importance of good health.

### **Other corporate social investment initiatives**

Other corporate social investment initiatives supported during the year including poverty alleviation and job creation initiatives, (such as the Ikhaheng development centre, Gold Gate Wheelchair project, the Paprika project, as well as a number of agricultural/livestock projects); a number of projects relate to the support for AIDS orphans, street or homeless children, and safe houses for abused women and children (such as Westkids and Emmanuel House); and a number of educational facilities have been provided to local education authorities and/or communities such as WJ Wells, Thabong, St Dominics, Muzimuhle St Helena and Tikwe schools.

## Safety

We made significant improvements in our safety performance at Harmony in FY05. We embrace our responsibility for our employees' safety and continuously strive to improve our performance. The Mine Health and Safety Act (Act 29 of 1996 as amended by act 72 of 1997) assists us in exercising this duty by prescribing general and specific duties for employers, employees and others, determining penalties and a system of administrative fines. The Act provides for employee participation through the appointment of health and safety representatives, and the establishment of health and safety committees. It also entrenches the right of employees to refuse dangerous work.

### A risk management approach

During the past year, we completed the implementation of the Harmony Risk Management System (HRMS) and have merged and standardised risk assessment processes and systems within the company. Implementation of the HRMS began in 2002, using the Mine Health and Safety Act and other applicable regulatory requirements as the foundation.

HRMS comprises 15 modules which include all activities and disciplines on the mine. The system is geared towards pro-actively eliminating, limiting or controlling risks at source. The HRMS provides each supervisor and employee with a risk assessment tool for continuous risk assessment in their working place on a daily basis. It is regularly revised and refined. The HRMS is also integrated into our "Laduma" team-building programme, which encourages individuals to work in a team to achieve set objectives. Linked to Laduma is the Nyakaza campaign, which pro-actively focuses on eliminating unsafe work practices. The scope of the HRMS

includes administration, safety awareness and training, health, hygiene, physical safety, micro-environmental exposure and legislative requirements. During FY05, further training was provided to managers, engineers and production coaches, for further communication to their own teams. The aim has been to try and get as much buy-in as

## Recognition of safety champions

At Harmony, we strive to prove to ourselves that a fatality-free working environment is possible. We recognise the following achievements at our operations during the year:

### 500 000 fatality-free shifts

Cooke 1 mine, Tshepong, Evander 2

### 1 million fatality-free shifts

Bambanani lower section, Unisel, Brand 3, Joel mine

### 1.5 million fatality-free shifts

Cooke Plant

### 12-month fatality-free shafts

Merriespruit 3, Kalgold, Joel, Phakisa, Brand 3, Unisel, Evander 8, Evander 2, St Helena, Cooke 1

### Multiple-year fatality free shafts

Merriespruit 3 – six years  
Kalgold Mine – four years  
Brand 3 – three years  
Unisel Mine – three years  
Joel Mine – three years

### External awards:

Target was awarded the "Safety Achievement Flag for 2004" by the Mine Health and Safety Council.

possible. The HRMS programme has had a positive impact by reducing sub-standard practices and has proven to be a sustainable intervention.

### Training and communication

The importance of managing safety risks is communicated across the organisation by our Chief Executive, operational directors, mine managers, legal compliance officers, production coaches, miners and within the production teams. Major loss announcements

are distributed via e-mail and further communicated to all levels of the organisation. In addition to intensive reviews of all serious incidents, details of the accident are communicated to all levels – via email and face-to-face communication – both to create awareness and to learn the key issues/reasons for the incident to prevent a re-occurrence in the future. It is also Harmony's policy to meet personally with the family of the employee who has died to explain the circumstances surrounding the death and to offer assistance to the family.

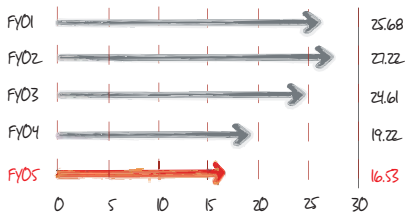
Our safety coaches provide continuous on-the-job training regarding best safety practices. Our mine managers, legal compliance officers, production coaches and safety officers attended a special training session during the year which dealt with the 15 modules of the HRMS.

Each mine manager appoints a health and safety committee, which typically meets fortnightly. The composition of the health and safety committees is described in detail in each of the health and safety agreements entered into between each mine and the representative trade unions. Each of our mine managers designs a safety action plan to reduce occupational injuries. Our safety procedures also apply to contractors and their employees. Quarterly reports on safety statistics and fatalities are provided to the Sustainable Development Committee.

Emphasis has been placed on identifying and the training of safety representatives. As required by legislation, each stope panel, development end and collection of remote areas that have been identified as designated working places, has an appointed health and safety representative.

There are currently 2 062 elected safety representatives within Harmony.

Lost Time Injury Frequency Rate (LTIFR) per million man hours



Harmony's safety council, which is a committee consisting of representatives from the unions, full-time health and safety stewards and occupational hygiene and safety practitioners of the company, has proved to be a highly effective initiative. The safety council meets every second month to review safety results, serious accidents, new codes of practice and any other pressing issues.

Safety audits are done on a continuous basis in all regions to assist shaft management to pro-actively identify possible management system failures.

Improved safety performance

Our main safety hazards or risks are: falls of ground, rail-bound equipment injuries, slipping and falling, fires, explosions and the release of hazardous substances.

Our target at Harmony is to improve our Lost Time Injury Frequency Rate by at least 10% per annum at each operation and our corporate goal is to have no fatalities at all. The significant reduction in fatalities in the past year illustrates how our safety initiatives are changing safety behaviour, and we will continue to strive towards an accident and fatality-free work place. We believe this is achievable.

At Harmony, we use three measures to track and indicate our safety performance, namely the Fatal Injury Frequency Rate (FIFR), the Lost Time Injury Frequency Rate LTIFR and Shifts Lost Frequency Rate

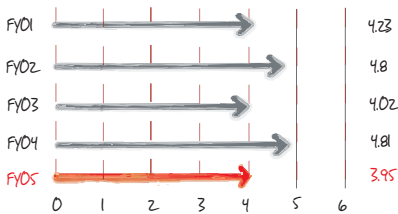
(SLFR). While the FIFR indicates the rate of fatal accidents relative to the number of employees, the LTIFR is a good proxy for the number of accidents/incidents that occur relative to the number of employees. The SLFR is a good measure of the severity of incidents as it indicates the actual shifts lost as a result of accident, relative to the number of shifts worked.

In the past year

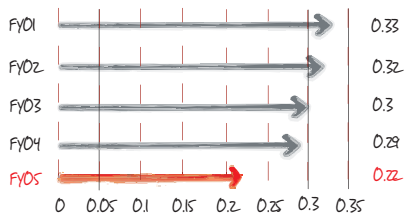
- Harmony's LTIFR reflected a general trend of improvement from the previous years. The group's year-end LTIFR was 16.53 per million man-hours worked in FY2005, compared with 19.63 in FY2004, an improvement of 16%.
- 29 employees died as a result of workplace incidents. We extend our deepest sympathy to those affected. Any work-related fatality in the group is unacceptable. This figure is of great concern to us, although we are pleased to have made significant progress in reducing it year-on-year. In FY04, 42 workplace fatalities occurred. Consequently, the FIFR was 0.22 per million man hours worked compared to 0.29 during the FY04 financial year. This represents an improvement year-on-year of 24%. The major cause of fatal accidents in FY05 was falls of ground.
- the SLFR improved by 18% in the last year to 3.95 per million man-hours.

As required by legislation, these statistics include contractors.

Shifts Lost Frequency Rate (SLFR) per million man hours



Fatal Injury Frequency Rate (FIFR)



## Health and well-being

At Harmony, our vision is to develop and maintain the healthiest workforce possible. Given the history of the country in which we have most of our operations, South Africa, some of the challenges that we are up against are poor standards of nutrition, a high level of tuberculosis (TB) prevalence in the country as a whole, as well as the HIV/AIDS pandemic. To address these challenges, we have developed our Healthiest Workforce Campaign, which has since been integrated into the Harmony Heartbeat campaign.

An important part of this campaign is the provision of quality healthcare, equivalent to private hospital standards, to all employees. Our facilities (located in Randfontein, Evander and Welkom) range from 24-hour emergency and intensive care units to world-class surgical theatres and out-patient facilities that are used by a wide spectrum of private specialists.

Harmony has developed a number of interventions to prevent occupational diseases. The three main occupational health conditions are silicosis, TB and noise-induced hearing loss. While the HIV/AIDS pandemic is not a compensable occupational disease, it has a significant effect on the health of our workforce and their families.

Harmony's three occupational health centres and other medical facilities have medical surveillance programmes that monitor occupational health. The number of occupational health examinations of new Harmony employees has reduced by 90%, largely due to the company's restructuring initiatives. There has been an overall reduction in new employee medicals undertaken during the year, although exit medicals have increased. In FY05, 72 139

occupational health examinations were carried out (76 695 in FY04).

There has been a significant focus in the past three years on identifying people with occupational diseases. Because of this, we expect the incidence of occupational

### Phakamisa for the healthiest workforce

As part of our Healthiest Workforce Campaign, we have introduced a nutritional product range – Phakamisa (which means “to uplift” in Sotho):

The range consists of five products:

- Phakamisa multivitamin bars
- Phakamisa multi-vitamin tablets
- Phakamisa meal
- Phakamisa Red Arrow Drink
- Phakamisa Energy Gel.

In developing Phakamisa we wanted to develop a high-quality range of products that is affordable to the entire workforce. Phakamisa is available at on-mine and off-mine outlets such as hospitals, athletics clubs, hostels, canteens and has even been purchased by corporate clients during the year. During FY2005, 18 000 units were sold every month, an increase of 27% in the monthly average on the previous year.

diseases (that is, those cases that are identified) to increase in the short term, although we project an annual decrease in prevalence rates in years to come as a result of more effective management. We aim to achieve a 5% decrease in occupational disease prevalence levels year-on-year.

### Governance

In the event of an incident, the occupational medical practitioners report the incident to the South African Mines Occupational Disease Database (SAMOD). The compensation commissioner evaluates each case and initiates the compensation procedure. All certified cases and referrals for certification are reported in the annual medical report to the medical inspector in terms of Section 16(2) of the Mine, Health

and Safety Act. A copy of this report is given to Harmony management, as well as the relevant internal health and safety committee. Copies are also provided to the various regions of the DME. This reporting protocol is in line with the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases.

### Silica dust exposure, silicosis and TB

Long-term exposure to silica dust is known to cause silicosis and other diseases. Silica dust has also been classified as a carcinogen and studies have shown that lung damage caused by silica dust plays a major role in the development of TB. The number of cases of silicosis detected during FY2005 decreased to 151 cases, from 295 the previous year.

The following control measures have been evaluated and are being put in place to reduce the levels of silica dust and silica dust exposure:

- sound ventilation principles, designs and practices ;
- comprehensive watering down procedures;
- wet-drilling;
- dust suppression, using equipment such as water spray filters, and cyclones;
- low-velocity ventilation over conveyor belts (< 3.0 m/s); and
- increasing re-entry periods (calculated on the basis that no exposure to a significant airborne pollutant associated with blasting will occur).

In addition, homologated dust respirators are issued as personnel protective equipment to employees.

Formal training is provided on airborne pollutant exposure and the subsequent associated health effects such as obstructive airway disease, silicosis and pneumoconiosis with the aggravating effects of TB.





The increased focus on and programmes applied to occupational health surveillance have helped to improve understanding of the full extent of the number of individuals affected and will help moderate prevalence rates.

### **MBOD compensation**

If a worker is detected as having TB and/or silicosis the company submits, on his behalf, his details to the Medical Bureau for Occupational Diseases (MBOD). The MBOD is a statutory body responsible for both certification and compensation in terms of the Occupational Diseases in Mines and Works Act, 1973 to which Harmony contributes.

As a result of the intensive testing and identification of occupational disease cases, the details of a 2 891 employees

were submitted to the MBOD in FY05 (2 257 in FY04). Occupationally related certifications amounted to 806 (1 792 in the previous year). There are often delays in the MBOD certification process, resulting in overlaps between reporting periods which makes year-on-year comparison difficult. Despite this, the reduction that is taking place is encouraging.

### **Dealing with TB**

Harmony operates a comprehensive TB control programme, in line with the World Health Organization's (WHO) recommended treatment. The cornerstones for managing this disease are: early case finding, direct observed therapy (DOT), short-course chemotherapy and a radiological TB screening programme.

2 041 cases of TB were identified in FY05 (2 214 in FY2004), at a rate of 3 931 per

100 000 employees (4 137 in FY2004). Initiatives such as the use of isoniazid (INH) prophylaxis, increased case finding and strict DOT application should improve these rates in the future.

With such an extreme epidemic in the industry, there is a pressing need to improve TB control among mineworkers. Harmony has agreed to participate in an industry-wide clinical trial to study the efficacy of INH preventive therapy given on a community-wide basis compared to INH preventive therapy given to those at highest risk of TB, with the ultimate aim of reducing TB incidence among gold miners.

The justification for such an approach is that community-wide TB case-finding, treatment of active TB and TB preventive therapy are:

- effective ways of rapidly reducing the burden of TB infection;
- capable of improving TB control in high-HIV prevalence areas; and
- more effective than an expanded framework of TB control in which preventive therapy is offered to all individuals known to be at higher risk of TB.

The Consortium to Respond Effectively to the AIDS/TB Epidemic (CREATE), funded by the Bill and Melinda Gates Foundation, is partially funding the project, as is the Safety in Mines and Research Advisory Committee (SIMRAC). SIMRAC is a tripartite industry body made up of government, labour and mining companies. The project started in November 2004.

TB remains endemic and Harmony has dedicated services allocated to deal with it. The association of this illness with the HIV infection is well known and has placed further pressures on managing this disease.

### Noise-induced hearing loss (NIHL)

Exposure of employees to noise levels in excess of 85 dB(A) presents a significant occupational health risk within Harmony, especially in the underground working environment.

After December 2008, the hearing conservation programme implemented by industry must ensure that there is no deterioration in hearing greater than 10% among occupationally-exposed individuals. By December 2013, the total noise emitted by all equipment installed in any workplace must not exceed a sound pressure level of 110db (A) at any location in that workplace (includes individual pieces of equipment). This target has been agreed to at an industry level and is supported by Harmony.

In the past, exposure control measures

relied heavily on hearing protection devices (HPDs) to protect employees. In FY05 the focus was on other additional control measures, facilitated by the Harmony noise exposure management and hearing conservation programme and driven by on-site hearing conservation committees.

These controls included:

- muffled rockdrills;
- silenced fans;
- more comprehensive occupational exposure monitoring;
- increased training and awareness; and
- safe work procedures and practices – (Noise Elimination and Hearing Conservation Policy, Hearing Protection Devices Policy, etc.)

### High-level commitment to occupational health targets

Harmony has committed to the occupational and health targets and 10-year milestones agreed to at the 2003 Mine Health and Safety Summit. This includes the International Labour Organisation and Mine Health and Safety Council milestones for the eradication of silicosis and the reduction of noise-induced hearing loss. Our Chief Executive, Bernard Swanepoel has signed a South African mining industry pledge aimed at achieving these goals. The pledge has also been signed by Harmony mine managers.

Targets have been set as follows:

- By December 2008, 95% of all exposure measurement results will be below the occupational exposure limit for respirable crystalline silica of 0.1mg/m. (These results are individual readings and not average results.)
- After December 2013, using present diagnostic techniques, no new cases of silicosis will occur among previously unexposed individuals. (Previously unexposed individuals are those who were unexposed prior to 2008, i.e. equivalent to a new person entering the industry in 2008.)

The Mandatory Code of Practice for Noise Management has been submitted to the DME. The Hearing Conservation Programme (HCP) is an integral part of the Code of

Practice itself and has been implemented at all shafts and plants.

The HCP includes the following:

- engineering controls – installation of, sound attenuators on all auxiliary fans.
- fitting of mufflers on rockdrills as they are sent for repairs.
- personal protective equipment (PPE) – all mines and plants have PPE stores or issue points which are adequately stocked with HPDs. Personalised HPDs have been implemented at two mines, namely Harmony 2 (300 Variphone units) and Merriespruit 1 (853 Noise Clipper units). Personalised protectors are far more effective than disposable devices: they render an effective noise reduction of 20dB(A), while disposable earplugs render an effective noise reduction of 12 dB(A).
- Noise dosimetry – a programme that has been running for six months intends to sample all Harmony's South African operations to conduct a baseline noise assessment. Once the baseline study has been completed, the results will be used to determine the mandatory monitoring intervals required by legislation.

The mines participating in the baseline study currently are Evander 5, 7, 8; Cooke 1, Tshepong, Merriespruit, Bambanani, St Helena, Orkney 2 and 4, Elandsrand and all surface operations. The remaining mines will start their assessments as the ordered instruments are distributed.

NIHL compensation rates have continued to increase, partially as a result of improved surveillance and detection, partially as a result of the additional exit medicals following retrenchments and partially as a result of five (rather than four) frequencies being measured.

During the past year, 932 employees (490 in the FY04) were awarded compensation by the Rand Mutual



Assurance Company (RMA), totalling R23.85 million (R6.80 million the previous year). This is equivalent to approximately R460 per exposed worker per annum.

The RMA is an industry-funded body, to which Harmony pays an annual fee to fund such compensation. Further increased compensation levels are possible with the

retrenchments in the Free State. The increase in cases awarded compensation had, however, levelled off by the latter part of the year.

While increased focus, monitoring and changes in legislation in recent years have increased compensation rates, the baselines have been well established and

hearing loss rates are expected to decline in conjunction with hearing protection programmes in the medium term.

Understanding and quantifying NIHL is complicated by the fact that there is a lag between diagnosis and compensation by RMA.

## HIV/AIDS

### Policy and governance

Harmony views HIV/AIDS as a strategic sustainability issue.

On 19 September 2003, Harmony signed an HIV/AIDS agreement with the National Union of Mineworkers (NUM) and the United Association of South Africa (UASA). This agreement stipulates the implementation of initiatives aimed at reducing the spread of HIV infection among Harmony's South African workforce and the surrounding communities, provision for the treatment and care of employees who are HIV-positive or are suffering from HIV/AIDS-related illnesses; and assurance that the rights of employees living with HIV/AIDS are upheld in compliance with legislation. The agreement serves as a blueprint for the implementation of Harmony's comprehensive HIV/AIDS workplace programme, which is also in line with policy guidelines of the International Labour Organization and the South African Government.

Harmony's HIV/AIDS management team consists of a Group Medical Officer responsible for HIV/AIDS and three social workers employed by Harmony. The HIV/AIDS Medical Officer reports to the Executive: Sustainable Development, who in turn reports to the Sustainable Development Committee. An HIV/AIDS Task Team is responsible for monitoring the implementation of the HIV/AIDS Agreement, and meets quarterly with the NUM (as the representative of the majority of our workforce) to discuss issues of concern.

The agreement has been reviewed twice since signing. In 2003, amendments were made to include the provision of highly active anti-retroviral therapy (HAART). The major amendment proposed to the agreement for FY06 is the extension of the programme to include all other chronic manageable illnesses inclusive of pulmonary TB and sexually transmitted infections (STIs).

The existence and content of the HIV/AIDS agreement is communicated at every opportunity through workshops, health talks during training at induction centres, using peer group educators (PGEs), door-to-door and hostel campaigns and by handing out pamphlets to individuals during one-on-one counselling sessions. We encourage active participation in these communication initiatives. The HIV/AIDS Agreement has been translated into Zulu/Xhosa and Sesotho/Tswana. It is presently being translated into Tsonga/Shangaan and Afrikaans.

Quarterly progress is reported to Harmony's Sustainable Development Committee, the executive responsible for Sustainable Development, UASA and the NUM (head office, regions and Harmony branches).

In 2003, management and the unions agreed that if an employee left our employ because of a terminal illness, that employee could nominate a family member to be appointed in his/her stead. All employees leaving the company's employ as a result of a terminal illness may remain on the company's books for up to year so as to qualify for death benefits in the event of their dying within one calendar year of having left.

### HIV/AIDS prevalence

To assist with the continued development of the Group HIV/AIDS strategy, an independent consultancy Health Monitor, was commissioned by Harmony to conduct an impact analysis in 2002. A computerised actuarial model was used to project HIV/AIDS prevalence, morbidity and mortality rates, etc. The impact analysis was re-done during 2003 to assess the impact of the different initiatives.

While HIV/AIDS prevalence is not known amongst our workforce, the impact analysis done by Health Monitor projected our prevalence rates to be around 30%, which equates to some 13 000 HIV/AIDS positive people within our current workforce. The same study

indicates that the full impact of HIV/AIDS on Harmony over the next 15 years could amount to about 7.5% of our total labour cost over the period. The study also notes that our costs are expected to be lower than the industry benchmark of between 9% and 11% of the total payroll cost.

### Our strategy to deal with HIV/AIDS

The major components of our HIV/AIDS programme are as follows:

#### HIV/AIDS awareness education and training

The cornerstone of the HIV/AIDS programme at Harmony is the promotion of a healthy lifestyle, which includes good nutrition. This links to our continued efforts in the improvement of living conditions, especially of our hostel-based employees.

All awareness activities are synchronised with the South African National and International Health Calendars to ensure that messages in our workplace are aligned with any health-related messages from government. Operations are required to achieve a minimum of four activities a year (one each quarter): namely, STI and TB week; Harmony Health Day/Week or a candlelight memorial day/week; a Harmony Sports Day with a health theme; and World AIDS Day.

HIV/AIDS education, information and training are done regularly at induction centres, medical stations, hospital waiting rooms and wellness clinics. Materials utilised in these information sharing sessions include booklets and videos. PGEs use kits containing flipcharts, condom demonstrators as well as health and HIV/AIDS educational board games to inform employees, mainly in hostels. Training is done by social workers, as well as trained professional nurses, PGEs, HIV/AIDS co-ordinators and the Group HIV/AIDS medical officer.

At the end of June 2005, Harmony had a ratio of one PGE per 90 employees. This is an improvement from the 1:154 ratio at the end of the previous year. The present PGE:employee ratio still falls short of the

workplace PGE standard of 1:50 (as set by the Peer Group Education Model). Because of the high turnover amongst peer group educators, Harmony has set itself a target ratio of 1:50 by the end of June 2006.

The PGEs at our Evander and Randfontein hold monthly meetings with community based PGEs which serve to strengthen collaboration between our workplace and community-based/public HIV/AIDS programmes.

In four of the five the operations (excluding Orkney) PGEs on anti-retroviral drugs have been used successfully for recruitment, support and tracing of patients on HAART and or TB treatment. Our goal is to have them trained in facilitation and maintenance of our workplace-based support groups.

**Condom distribution:** PGEs are tasked with condom promotion, social marketing, as well as the monitoring of distribution statistics. Both male and female condoms are distributed free of charge in our workplaces. Over the past two years, condom distribution has increased from less than one condom per employee per month to an average of three condoms per employee per month. Our target is to distribute nine to 10 condoms per employee per month. The low rate of distribution correlates with the high number of STI cases presented at medical stations on a monthly basis. Kalgold is presently the only operation that consistently distributes seven condoms per employee per month and treats an average of only one STI per quarter at its medical station.

### **Informed Consented Voluntary Counselling and Testing (ICVCT)**

ICVCT is a gateway to treatment and care that supports the prevention strategy. Prevention, coupled with early diagnosis and treatment, are the only measures that will lower prevalence rates over time. All of our health care centres (at our three hospitals and 19 medical stations) offer ICVCT on demand.

At Cooke 2 shaft in Randfontein, we have a joint ICVCT site with the Gauteng

Department of Health where employees, their partners and other community members can access an HIV/AIDS test. The Cooke 2 shaft is well-placed for this level of public sector participation as it is located close to Bekkersdal and the site fits within the local public sector clinic and hospital infrastructure.

Disappointingly, the ICVCT programme has not yielded the desired results. We have invested a lot of time in negotiating with our stakeholders and in designing an approach that will encourage health-seeking behaviour from HIV-positive and HIV-negative individuals alike. Jointly, the NUM and the management recently approved a pro-active and systematic approach to ICVCT which will be implemented from the end of August 2005. This involves taking the test to people as opposed to people finding the test. Senior management and union leaders have led by example in volunteering for testing in an environment where confidentiality is ensured. Eleven employees living openly with HIV in our workplace – have all pledged their support for this ICVCT approach.

### **Destigmatisation/normalisation of HIV/AIDS**

Employees who are living openly with HIV/AIDS can provide a positive role model and assist in breaking down the stigma associated with the disease.

The following guidelines for disclosure were agreed upon with the input of social workers and employees living openly with HIV/AIDS in the workplace:

- disclosure must be purely voluntary; and
- no incentives will be given for disclosure.

### **Treatment of sexually transmitted infections (STIs)**

Our employees receive STI treatment from our primary health care centres and hospitals. Community-based organisations cofunded by Harmony, other mining houses, government and international non-governmental organisations (NGOs), provide services to women at high risk around our operations. Despite these initiatives, we still have high rates of infection: medical stations treat an

average of 250 STI cases per month. December/January and March/April are the months which see the highest number of cases as they follow the traditional Christmas and Easter holiday periods. This points to a need to intensify awareness campaigns directly addressing STI education and training, clinical services, counselling of all those who have STIs, and training for healthcare professionals in the provision of this critical service. There is also a need to investigate the reasons why our long-running education and training programmes are not translating into behavioural change.

Post-exposure prophylaxis treatment is offered with appropriate counselling at the health facilities following occupational exposure, rape and in order to prevent mother-to-child transmission. Training of healthcare professionals and health and safety representatives, on prevention procedures and protocols, is done annually by accredited training organisations in our workplace.

### **Treatment and care programmes**

HIV/AIDS clinical management is provided at Harmony's three hospitals located in Welkom, Randfontein and Evander. Nineteen medical stations at our operations provide primary health care services to our workplaces. In September 2003, Harmony started giving HAART to its employees in Welkom. Since then, other wellness clinics have been established in Randfontein/Carletonville, Evander, Orkney and at Kalgold, and provide HAART to our employees.

All sites use protocols that are aligned with national/international clinical protocols. The design of this programme is fully compliant with all relevant South African statutes including the Medical Aid Schemes Act and the South African Receiver of Revenue Services criteria for a non-taxable benefit.

Patients who present with HIV/AIDS are monitored from the stage that they join the wellness programme to the point where they qualify for anti-retroviral drugs. All sites

are presently being resourced to function as fully-fledged chronic care centres. By the end of 2006 these will service all employees with other chronic manageable diseases, including TB. This will ensure a beneficial healthcare infrastructure with a cost-effective and seamless interface between acute and chronic care.

In total, 931 employees are receiving HAART with compliance levels having been reported at about 98%; the death rate among employees on HAART is currently about 3%.

The cost of drugs and laboratory tests currently averages R500 per person per month for first-line drugs and R828 per person per month for second-line therapy.

The regimens are specified by protocols: second-line drugs are offered to people who have intolerances or to those where the virus has become resistant to first-line drugs.

A significant challenge to this component of the HIV/AIDS programme is the post-employment transfer of employees on HAART to either the public health or NGO sites for continued administration of HAART, as most of our labour-sending areas have no public health service provision sites, let alone HAART sites. Yet another challenge is the increasing number of employees who voluntarily stop treatment to explore alternative modes of treatment once they become well.

The HIV/AIDS programme will be externally audited in December 2005 and a report will be available at the end of February 2006.

#### **Home-based care**

Harmony is a participant in the industry-wide home-based care initiative which provides home-based care to employees, post ill health retirement, in the Eastern Cape, Northern Kwa-Zulu Natal, Lesotho and the Gaza province in Mozambique.

#### *Cost to the company*

The costs of the Harmony HIV/AIDS workplace programme, including support for community-based organisations, was R10 million in FY05, an increase of R3 million on the previous year.



## Environmental management

We at Harmony recognise that the long-term sustainability of our business is as dependent on good management of our environment as it is on the optimal extraction of our mineral resources. It is our duty to assess environmental impacts and, where significant pollution or degradation may occur as a result of our activities, take reasonable measures to minimise these and to rectify any impacts that have already been caused.

The overall objectives of Harmony's environmental management activities are to:

- clean up the surface environment after mining and ensure certificates of closure;
- promote "clean" mining and minerals processing;
- support the company's social plan requirements (MPRDA and Mining Charter), BEE and local community involvement;
- reduce environmental liabilities by 10% per annum; and
- self-fund environmental rehabilitation through economic activities/savings, thus contributing to the bottom line.

### Environmental policy

Our approach to environmental management encompasses the following four broad principles:

- all relevant environmental risks should be identified and prioritised;
- environmental issues should be dealt with promptly;
- environmental issues, particularly relating to continuous non-compliance or potentially serious environmental impacts, should be dealt with at Board level; and
- we will adopt the best practicable environmental option; that is, the option that has most benefit, or causes the least damage to the environment, at a cost acceptable to society and affordable to the company.

In FY04, the environmental policy was developed in consultation with various stakeholders such as mine managers,

employees, unions, etc. This policy was signed off by the chairman of the Sustainable Development Committee and our Chief Executive, in November 2004. It has subsequently been signed off by each mine manager at signing ceremonies held at each shaft.

The policy is available on our website. Briefly, it commits the company to returning its areas of operation "as close as possible to the pre-mining state, thus creating sustainability and economic viability for generations to come". The main areas of the policy are:

- that environmental management is a corporate priority;
- that environmental policies, programmes and practices will be integrated into the activities of the company;
- that the company will strive for continued improvement and efficiency;
- that the company will work with government departments and the public to come up with the best sustainable solutions;
- that contractors and suppliers will be required to comply with the Harmony policy; and
- that employees will be informed and educated regarding their environmental responsibilities.

The focus was on implementing environmental management policy at an operational level during FY05 and this will continue in FY06. An in-house environmental awareness presentation that takes cognisance of the approved Environmental Policy Statement has been developed and will be rolled out to the various operations by the end of December 2005. The intention is to make management at our operations aware of the primary role of the environmental manager (EM). Building on this will be the development and presentation of regional environmental management awareness programmes, which will include a focus on specific direct and indirect impacts within the region.

### Structure and governance

Environmental policy and strategy within Harmony, as well as the environmental impact of the company's operations on

regional communities, is overseen by the Sustainable Development Committee. The management of environmental issues at operational level is the responsibility of each operational director, who is supported by line management in the various regions. The environmental management function (EMF) in Harmony resides within the portfolio of risk management. Structures and reporting mechanisms have been put in place to ensure that the board is kept fully informed of environmental matters within the group.

The EMF has been structured to support operational goals. Primarily this means it will ensure compliance with legislation, and the promotion of environmental awareness. At a regional level, environmental management officers provide advice and support to the relevant operational management teams. Given the diversity of the environmental issues being dealt with, one of the challenges facing the operations is to effectively access the diverse range of skills necessary to address environmental issues.

Rehabilitation and mitigation capacity resides within the various operational functions, such as surface engineering, metallurgy, etc. Where specific capacity is lacking in-house, use is made of external consultants with appropriate specialist expertise. Operational personnel are assisted by the EMF to determine the scope of work and consultants are selected and employed as the need arises. Their selection is conducted in terms of the Harmony procurement policy.

Regional environmental officers meet on a quarterly basis as part of a process to encourage networking, information sharing and joint problem-solving. Staff members are encouraged to develop their skills through "on-the-job" training and external opportunities such as conferences and short courses.

### Complying with the law

Environmental management at Harmony is guided by environmental policy, by prevailing environmental laws and the Environmental Management Programme Reports (EMPRs) developed by the

company for each operation, and approved by the Department of Minerals and Energy (DME) and which are legally binding.

Harmony is not aware of any litigation, current or pending, against the company in this regard.

During the year, Harmony was issued with three directives from the Department of Water Affairs and Forestry (DWAF) related to the collection, removal and re-use or disposal of extraneous groundwater in the Klerksdorp, Orkney, Stilfontein and Hartebeestfontein (KOSH) area. This follows the liquidation of the DRDGOLD North West operations in this area and the subsequent liquidation of Stilfontein, which brought an end to their pumping activities and threatened to flood other mines in the area. Harmony continues to comply with the requirements of these directives and is working with other mining companies – AngloGoldAshanti and DRDGOLD, – and the various government departments – the DME, DWAF and the Department of Environment and Tourism (DEAT) – to address the fundamental question of liability for pumping at defunct operations.

We also received a DWAF directive pertaining to the water management of the Western Mining Void water decant. We currently comply with the directive requirements except for the discharge quality criteria. We are in regular contact with DWAF in this regard and are currently minimising the water discharge quantity by re-use in our metallurgical facilities. The water treatment plant is being upgraded to improve the discharge water quality to enable us to meet the prescribed water quality levels.

### Environmental management systems

Environmental management systems (EMS) form the basis for the implementation of the environmental policy and monitoring compliance.

All of the South African operations function within the requirements and conditions of the EMPRs that have been approved by the DME. These EMPRS contain specific as well as generic principles relating to environmental management during the operation of the mine. Closure objectives are set and closure plans formulated within the EMPR. The latter includes investigation of the potential for re-use of existing infrastructure, preparation of a rehabilitation plan, rehabilitation and

vegetation of the affected area and post-closure monitoring.

Conversion to new order mining rights in line with the MPRDA requires that mining companies report on the extent of compliance with their approved EMPRs.

The EMPRs identify individual impacts, mitigation measures and rehabilitation requirements. These have been used as the basis for the development of a proprietary Environmental Management System (EMS), which is currently being tested, populated with information, and rolled out to the various operations. This proprietary EMS, which encompasses the principles of ISO 14000, is an electronic based system. The proprietary EMS encompasses the following activities:

- environmental inspection: general inspections are performed routinely and systematically with collected data entered into the system to enable follow up actions.
- risk assessment: detailed and specific risk assessments are conducted to help identify deviations that may not have been otherwise anticipated.
- stakeholder communication: all communication is managed and may result in action items for the organisation for which the stakeholder will require follow up feedback. All such communication is logged.
- monitoring: impact monitoring is focused on collecting and analysing environmental data that may well result in follow up actions.
- licences/permits: all details relating to licences or permits can be registered in the system.
- major loss, incident and accident notification: when an incident occurs, initial information about the incident is recorded to trigger a notification process.

The bulk of the significant impacts at Harmony are historic, and are currently managed in terms of site-specific procedures or codes of practice. Any major operational changes will, in future, take cognisance of the Environmental Impact Assessment (EIA) process and adhere to the outcomes of such studies. Furthermore, the continued

### % Compliance with our EMPRs

Entity	Number of commitments listed in EMPR and water permit	% Full compliance
Randfontein	194	50
Elandsrand/Deelkraal	139	46
Evander	211	79
Kalgold	46	65
Armgold – Welkom	150	43
Armgold – Orkney	69	74
Original Harmony	175	25
St Helena	118	48
Brand Shafts, Bambanani, Matjhabeng	99	21
Tshepong	241	64
Saaiplaas/Masimong	176	26
Unisel	51	43
Target	84	71
Joel	132	42
<b>TOTAL</b>	<b>1 885</b>	<b>49</b>



development of the EMSs, with respect to site monitoring and risk assessment, will allow for the inclusion of specific evaluation criteria in the decision-making process.

We have conducted internal compliance assessments on all of our EMPRs. Assessments and non-compliance areas are being addressed. The results of the compliance assessment has been included in the application for conversion to new order mining rights. (See table on page 113.)

Harmony has decided to adopt the international environmental standard ISO 14001. An external consultant has been engaged to assess the current degree of compliance by the operating units with the fundamental principles of ISO14001. Following this, a plan will be developed for the implementation of this standard.

### Pollution control

Our various operations emit particulates (dust) and gases that have the potential to adversely affect air quality. Emissions from our metallurgical processes are not deemed

to be significant, and are not continuously measured at present.

Fugitive dust from dormant slime dams is controlled by way of regular ridge-ploughing, and the establishment of vegetation.

Managing waste responsibly remains a challenge at our operations. The largest waste item recorded for the period was tailings. Recyclable materials include metal, timber, oils, grease, plastic and paper. There is a continual drive to reduce the amount of hazardous waste sent to licensed disposal facilities, while general waste that is not recycled is sent to licensed waste disposal sites.

All of our operations, except Kalgold, conduct activities within the requirements of a Certificate of Registration as issued by the National Nuclear Regulator, in terms of section 22 of the National Nuclear Regulator Act of 1999. Disposal of low-level radioactive waste material is conducted in accordance with approved procedures.

All our operations operate within the requirements of water use/disposal permits. All operations have registered as water users as required by the National Water Act of 1998. In all regions we are actively involved in the licensing process which is being driven by the DWAF. Point source discharge to permitted evaporation/disposal sites is practiced in some regions. Diffuse discharges from spills and pipeline failures do sometimes occur, although no significant incidents were reported during the year.

### Incident reporting

One significant incident was reported during the year when water from the Western Mining Void Decant flowed into the Krugersdorp Game Reserve in contravention of DWAF directive. The incident was reported to DWAF. This problem has been rectified by the installation of a sump and pump facility at the boundary of our property.

No further significant environmental incidents were reported during the year.

### Efficient use of resources

Harmony does not manage databases on materials used at a central level as we believe that this is best managed at an operational level and is a line management function.

There is an ever-increasing awareness within the company of the need to reduce, or at least improve, the efficient use of scarce, environmental resources, such as energy and water, within the company. We recognise that, apart from the environmental advantages of reducing the use of these raw materials, there is the potential to bring about significant cost savings for the company. As the company moves towards compliance with GRI, increasingly this data is being required at the centre. This year, for the first time, some level of statistical data is being reported. We fully expect, though, that as our systems improve and our data gathering techniques are standardised, that some of this information may be revised in years to come.

Ground and surface water are monitored at all operations, both upstream and downstream of potential impact areas, as well as inside and outside mining areas. The monitoring of results is used to direct on-going mitigation and remediation efforts.

In many areas of operation, the groundwater is of a naturally poor quality as a result of the local mineralogy.

Waste disposal FY05	(000 tonnes)
Mineral waste:	
● Accumulated tailings in tailing dams (active and dormant)	3 075 858
● Accumulated waste in rock dumps	193 229
Non-mineral waste:	
● Hazardous to landfill	Nil
● Hazardous to incineration	Nil
Low-level radioactive waste generated:	
● scrap steel	11.59
● scrap timber	2.71

The statistics related to some of the materials consumed during the period are reflected in the table on page 115. Harmony does not use process or unprocessed waste from any sources external to the operation. A number of our operations retreat old tailings deposits for gold – these deposits remain the property of the reporting organisation

Energy is a key component of the company's cash operating cost structure and the energy consumption for our South African operations is shown in the table alongside. Efforts to reduce energy consumption and improve efficiencies form an integral part of the operations cost-saving initiatives. Our optimisation process includes Demand Side Management Strategies; load-shifting and scheduling; and strict monthly verification, control and monitoring of energy usage.

The continued integration of both water quality and water quantity management into our operational management systems reinforces Harmony's commitment to preventing contamination, reducing the consumption of the resource and continued improvement in the management of the resource.

Water quantity and quality are managed by the operations in conjunction with the regional environmental officer/manager in line with EMP and water licence requirements. The management approach is not reviewed at a central level, but the water management plans and water balances are reviewed when process changes are made, or water requirements change. The table alongside reports our South African water usage.

We have not received any fines in respect of water discharges and are complying with the directive issued by the DME.

### Provision for rehabilitation and closure

In accordance with legislation, we have established six independent environmental rehabilitation trust funds to make adequate financial provision for the expected cost of environmental rehabilitation at mine

closure and for the discharge of our obligations and contingency liability.

Each operation estimates its expected environmental closure liability annually and this estimated amount is used to calculate the contributions to be made to the rehabilitation trust funds. The contributions are spread over the operational life-of-mine and contributions are made by each operation on an annual basis. Even though the various investments in the rehabilitation trust funds are pooled, each operational unit has its own account.

The accumulated amount in the various rehabilitation trust funds as at year-end was R1.17 billion, while the total rehabilitation liability was R1.39 billion. (See table.) The assets of each mine within each fund are ring-fenced and may not be used to cross-subsidise one another. Contributions to the Harmony Fund will continue to be made over the operations' life-of-mine and this fund is expected to be fully-funded at the time of closure. Sudden and accidental pollution is covered under our public liability insurance policy.

An Asset Management Committee was formed during the year. The aim of this committee is to co-ordinate the activities related to the disposal of assets and subsequent closure of redundant operational sites to an environmentally acceptable standard. The EMF is represented on the committee at senior management level. An important element of this committee's work is to investigate alternative and appropriate land use, particularly in respect of those assets for which closure is being planned.

### Land use and biodiversity

The Harmony group holds surface and freehold rights over large tracts of land, but uses a relatively small area of this land for mining and infrastructure purposes. Subject to operational requirements, unused land and infrastructure is being made available to support projects envisaged in terms of our social and labour plans in the various regions.

Materials consumed	
(000 tonnes)	
Rock mined	21 805
Ore milled	11 656
Waste Rock recycled	Nil
Slime recycled	Nil
Coal	6
LPG	0.3
Grease	0.7
1 000 litres	
Fuels	17 533
Lubricating and hydraulic oil	1 802

Energy consumption	
J	
Energy from electricity purchased	3.68 x 10 <sup>15</sup>
Energy from fossil fuels	Nil
Renewable energy	Nil
Energy used in travel (people and products)	Not measured
Total Energy Consumed	3.68 x 10 <sup>15</sup>

Water usage	
1 000m <sup>3</sup>	
Water use for primary activities	28 875
Potable water from external source	19 077
Non-potable water from external source	26 052
Surface water used	3 164
Groundwater used	5 057
Water recycled in process	11 677
Water recycled from tailings return water dams has not been included in water uses. It is, however, estimated that between 40 to 45% of the supernatant is recycled.	

The group has no operations in or on protected areas. However, water management related to the West Rand Mine Void – Water Decant: Randfontein (Gauteng) affects the recharging of the Swartkranz dolomitic compartment, and subsequently affects the Sterkfontein Caves at the Cradle of Humankind world heritage site.

### Stakeholder engagement

Harmony is represented on several environmental government forums established by the DME and DWAF. We are also actively involved in establishing catchment management agencies in the areas where we operate, as required by the National Water Act of 1998, working closely with the DWAF, other industries and members of the local communities.

The major environmental issues for which stakeholder engagement has taken place, and continues to do so, are as follows:

- West Rand mine void – Water Decant: Randfontein (Gauteng): A technical working group has been convened to

investigate, among other issues; the qualitative and quantitative impacts of the mine void decant on recharging the Swartkranz dolomitic compartment, and the subsequent effect on the Sterkfontein Caves. The working group consists of representatives from the following role-players: Harmony, DME, DWAF, Council for Geoscience, Department of Agriculture, Independent consultants (Johan Fourie & Associates; DD Science and Rison Groundwater), Mogale City Local Municipality; and the Gauteng Department of Agriculture, Conservation and Environment.

- Harmony/SASOL groundwater interaction: Evander (Mpumalanga): This forum deals with the possible joint liability for future water decant from coal mines. An independent consultant is currently conducting the first phase of a groundwater study. A technical working group has been established to consider all relevant operational risks pertaining to environmental management, rock engineering, safety and mining. Discussions are ongoing.

- Contaminated groundwater at Dankbaarpan/Brakpan: Freegold (Free State): The historical use of the Mahemspruit/Dankbaarpan/Brakpan area, west of Welkom in the Free State, as a mine water disposal facility, has led to the contamination of the local groundwater regime. This is an inherited problem for which a limited amount of funds was set aside when these operations were purchased from AngloGold. As from April 2004, no further water has been disposed of in this facility. Harmony is continuing with the daily supply of potable water to the affected farming community, and is finalising the requirements for a permanent water supply to those affected.
- Contaminated groundwater at Willow Valley Chicken Farm (Free State): The mine has engaged the farmer directly to find an amicable solution to the water contamination issue. This is another "inherited" water contamination problem for the company.



Land management	
	hectares
Land under group management	53 583
Land altered for mining purposes	47 928
Mining in protected areas	Nil

### Rehabilitation Trust Fund funding

Trust Fund Name	Contributors	Trust fund balance (R 000)	Rehabilitation liability (R 000)
Bambanani, Joel, Matjhabeng and Tshepong Rehabilitation Trust Fund	Bambanani, Joel, Matjhabeng and Tshepong mines	625 049	536 145
Harmony Gold Environmental Trust Fund	Kalgold, Randfontein Estates, Harmony Gold Mine and Evander Gold Mines	338 757	517 494
ARM Rehabilitation Trust	ARM Orkney and Welkom operations	46 774	58 613
St Helena Rehabilitation Trust Fund	St Helena	51 331	50 883
Avgold Nature Conservation Trust Fund	Target Mine	28 549	38 000
Elandsrand and Deelkraal Rehabilitation Trust Fund	Elandsrand and Deelkraal operations	80 901	1 390 472
No fund	Australasia	–	110 789
<b>Total</b>		<b>1 171 361</b>	<b>1 390 472</b>

## GRI scorecard!

Harmony has adopted an incremental approach to reporting in line with the recommendations of the GRI. This index provides a guide to the availability of information on the GRI core indicators within this report or, where applicable, on our website.

Category	Aspect	Indicator	Reported	Page no
Economic performance indicators				
Direct economic impacts	Customers	EC1. Net sales	✓	88
		EC2. Geographic breakdown of markets	—	—
	Suppliers	EC3. Cost of all goods, materials and services purchased	✓	88
		EC4. Percentage of contracts paid in accordance with agreed terms, excluding penalty arrangements	—	—
	Employees	EC5. Total payroll and benefits	✓	88
	Providers of capital	EC6. Distribution to providers capital	✓	88
		EC7. Increase/decrease in retained earnings	✓	88
	Public sector	EC8. Taxes paid	✓	88
		EC9. Subsidies received	—	—
		EC10. Donations made	✓	101
Environmental performance indicators				
Materials	EN1. Total materials use other than water	✓	115	
	EN2. Percentage of materials used that are wastes (processed or unprocessed) from sources external to the reporting organisation	✓	115	
Energy	EN3. Direct energy use segmented by primary source	✓	115	
	EN4. Indirect energy use	—	—	
Water	EN5. Total water use	✓	115	
Biodiversity	EN6. Location and size of land owned, leased, or managed in biodiversity-rich habitats	✓	115	
	EN7. Description of the major impacts on biodiversity associated with activities and/or products and services in terrestrial, freshwater and marine environments	✓	115	
Additional indicators	EN25. Impacts of activities and operations on protected and sensitive areas.	✓	116	
Emissions, effluents and waste	EN 8. Greenhouse gas emissions	✓	114	
	EN9. Use and emissions of ozone depleting substances	—	—	
	EN10. Nox, Sox, and other significant air emissions by type	—	—	
	EN11. Total amount of waste by type and destination	✓	114	
	EN12. Significant discharges to water by type	—	—	
	EN13. Significant spills of chemicals, oils, and fuels in terms of total number and total volume	✓	114	

✓ Achieved      — Not applicable/Not reported

Category	Aspect	Indicator	Reported	Page no		
<b>Environmental performance indicators (continued)</b>						
	Products and services	EN14	Significant environmental impacts of principal products and services	—		
		EN15	Percentage of the weight of products sold that is reclaimable at the end of the products useful life and percentage that is actually reclaimed	—		
	Compliance	EN16	Incidents of fines for non-compliance	✓	114	
<b>Social</b>						
<b>Labour practice and decent work</b>	Employment	LA1	Breakdown of workforce, by region/country, status and decent work (employee/non-employee).	✓	94	
		LA2	Net employment creation and average turnover segmented by region.	—	94	
	Labour/management relations	LA3	Percentage of employees represented by independent trade unions	✓	95	
		LA4	Policy and procedures involving information, consultation and negotiation with employees of the organisations' structure	✓	95/96	
	Health and safety	LA5	Practices on recording and notification of occupational accidents and diseases and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases	✓	105	
		LA6	Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by any such committees	✓	103/104	
		LA7	Standard injury, lost day and absentee rates and number of worker related fatalities.	✓	104	
		LA8	Description of policies or programmes on HIV/AIDS	✓	109 to 111	
		<i>Additional indicators</i>	LA14	<i>Evidence of substantial compliance with ILO guidelines for occupational health management systems</i>	✓	103/104
			LA15	<i>Description for formal trade union agreements covering health and safety in the workplace and proportion of workforce covered by such agreements.</i>	✓	103/104
	Training and education	LA9	Average hours of training per employees by category of employee	—		
	<i>Additional indicators</i>	LA16	<i>Description of programmes to support the continued employability of employees and to manage career endings</i>		97	
		LA17	<i>Specific policies and programmes for skills management or for life-long learning</i>		97	
	Diversity and opportunity	LA10	Description of equal opportunity policies or programmes, as well as monitoring systems to ensure compliance and results of monitoring	✓	100/101	
LA11		Composition of senior management and corporate governance bodies (including the board of directors), including male/female ratio and other indicators of diversity as culturally appropriate	✓	100		
<b>Human rights</b>	Strategy and management	HR1	Description of policies, guidelines, corporate structure, and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results.	✓	101	

✓ Achieved      — Not applicable/Not reported

Category	Aspect	Indicator	Reported	Page no
<i>Social performance indicators (continued)</i>				
		HR2	Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers and contractors	—
		HR3	Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring.	—
	Non-discrimination	HR4	Description of global policy and procedures/programmes preventing all forms of discrimination in operations, including monitoring systems and results of monitoring	✓ 100/101
	Freedom of association and collective bargaining	HR5	Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as a description of procedures/programmes to address this issue	✓ 95/96
	Child labour	HR6	Description of policy excluding child labour as defined by the ILO Convention 138 and extent to which this policy is visibly stated and applied, as well as a description of procedures/programmes to address this issue, including monitoring systems and results of monitoring	✓ 101
	Forced and compulsory labour	HR7	Description of policy to prevent forced and compulsory labour and extent to which this policy is visibly stated and applied, as well as a description of procedures/programmes to address this issue, including monitoring systems and results of monitoring.	✓ 101
	<i>Additional indicators</i>	HR9	<i>Description of appeal practices, including but not limited to, human rights issues.</i>	✓ 101
		HR10	<i>Description of non-retaliation policy and effective, confidential employee grievance system (including, but not limited to, its impact on human rights)</i>	✓ 101
<b>Society</b>	Community	SO1	Description of policies to manage impacts on communities in areas affected by activities, as well as a description of procedures/programmes to address this issue, including monitoring systems and results of monitoring	✓ 97/101
	Bribery and corruption	SO2	Description of the policy, procedures/management systems and compliance mechanisms for organisations and employees addressing bribery and corruption	✓ 152
	Political contributions	SO3	Description of policy, procedures/managed systems, and compliance mechanisms for managing political lobbying and contributions	✓ 101
<b>Product Responsibility</b>	Customer health and safety	PRO1	Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied, as well as a description of procedures and programmes to address this issue, including monitoring systems and results of monitoring	—
	Products and services	PRO2	Description of policy, procedures/management systems, and compliance mechanisms related to product information and labelling	—
	Respect for privacy	PRO3	Description of policy, procedures/management systems, and compliance mechanisms for consumer privacy	—

✓ Achieved      — Not applicable/Not reported

## Mining Charter

The Minerals and Petroleum Resources Development Act (MPRDA), which became law on 1 May 2004, is supplemented by the Broad-Based Socio-Economic Charter for the Mining Industry which has been put in place by the Department of Minerals and Energy (DME). The DME has also issued a Scorecard against which companies will be measured and need to report as part of the mineral rights conversion and licensing process. The Scorecard has nine parts listed below, each with questions to be addressed annually. Harmony has undertaken a self-assessment of its performance against these points.

	<i>Compliance</i>	<i>Page no</i>
<b>1. Human Resources Development</b>		
Has the company offered every employee the opportunity to be functionally literate and numerate by 2005 and are employees being trained?	✓	98/100
Has the company implemented career paths for HDSA employees, including skills development plans?	✓	100
Has the company developed systems through which empowerment groups may be mentored?	✓	100
<b>2. Employment equity</b>		
Has the company published its employment equity plan and reported on its annual progress in meeting that plan?	✓	100/101
Has the company established a plan to achieve a target for HDSA participation in management of 40% within five years and is it implementing the plan?	✓	100
Has the company identified a talent pool and is it fast-tracking it?	✓	100
Has the company established a plan to achieve the target for the participation of women in mining of 10% within five years and is it implementing it?	✓	100/101
<b>3. Migrant labour</b>		
Has the company subscribed to government and industry agreements to ensure non-discrimination against foreign migrant labour?	✓	101
<b>4. Mine community and rural development</b>		
Has the company co-operated on its own and with the government in formulating and implementing integrated development plans for communities where mining takes place and for major labour-sending areas? Has the company made an effort to engage the local mine community and communities in major labour-sending areas?	✓	97
<b>5. 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 to family units, and promoted home ownership options for mine employees? Companies will be required to indicate what they have done to improve housing and show a plan to progress the issue over time and is the company implementing the plan?	✓	101
For company-provided nutrition has the mine established measures for improving the nutrition of employees? Companies will be required to indicate what they have done to improve nutrition and show a plan to progress the issue over time and is the company implementing the plan?	✓	101
<b>6. Procurement</b>		
Has the mining company given HDSAs preferred supplier status?	✓	89
Has the company identified current levels of procurement from HDSA companies in terms of capital goods, consumables and services?	✓	89

	<i>Compliance</i>	<i>Page no</i>
Has the company indicated a commitment to a progression of procurement from HDSA companies over a 3 – 5 year time frame in terms of capital goods, consumables and services and to what extent has the commitment been implemented?	✓	89
<b>7. Ownership and joint ventures</b>		
Has the company achieved HDSA participation in terms of ownership for equity or attributable units of production of 15% in HDSA hands within five years and 26% within 10 years	✓	87/89
<b>8. Beneficiation</b>		
Has the company identified its current level of beneficiation?	✓	89 to 92
Has the company established its baseline level of beneficiation and indicated the extent that this will have to be grown in order to qualify for an offset?	✓	89 to 92
<b>9. Reporting</b>		
Has the company reported on an annual basis its progress towards achieving its commitments in its annual report?	✓	82 to 121