

# Mining Charter compliance

The South African Mining Charter was developed in terms of section 100 of the Mineral and Petroleum Resources Development Act (MPRDA), No. 28 of 2002, with the aim of transforming the mining industry. The charter requires applicants for mining rights to comply with certain empowerment principles for their rights to be granted. Harmony has been granted new order mining rights for all of its operation. In accordance with the Mining Charter, all of Harmony's operations have developed Social and Labour Plans (SLPs) which have been developed in conjunction with employees, communities and the DMR, setting targets and plans to achieve these. Harmony reports to the DMR on an annual basis on its performance against these targets.

A new charter was launched in 2010 to facilitate the sustainable transformation and development of South Africa's mining industry, with emphasis on a target of 26% black ownership of the country's mining assets by 2014.

Description	Compliance	For further information
<b>1. Human resource development</b>		
Has the company offered every employee the opportunity to be functionally literate and numerate by the year 2005 and are employees being trained?	Yes	Sustainable Development Report
Has the company implemented career paths for HDSA employees including skills development plans?	Yes	Sustainable Development Report
Has the company developed a system through which empowerment groups can be mentored?	Yes	Sustainable Development Report
<b>2. Employment equity</b>		
Has the company published its employment equity plan and reported on its annual progress in meeting that plan?	Yes	Sustainable Development Report
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?	Yes, 40% achieved	Page 39 and Sustainable Development Report
Has the company identified a talent pool and is this being fast tracked?	Yes	Sustainable Development Report
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 the plan?	Yes, 12% achieved	Page 39 and Sustainable Development Report
<b>3. Migrant labour</b>		
Has the company subscribed to government and industry agreements to ensure non-discrimination against foreign migrant labour?	Yes	Sustainable Development Report
<b>4. Mine community and rural development</b>		
Has the company co-operated in the formulation of integrated development plans and is the company co-operating with government in the implementation of these plans for communities where mining takes place and for major labour-sending areas?	Yes	Pages 40 to 42 and Sustainable Development Report

# Mining Charter compliance cont.

Description	Compliance	For further information
<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 ownership options for mine employees?  Companies will be required to indicate what they have done to improve housing, show a plan to progress the issue over time and whether such a plan is being implemented.	Yes	Page 41 and Sustainable Development Report
For company-provided nutrition, has the mine established measures for improving the nutrition of mine 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 whether such a plan is being implemented.	Yes	Sustainable Development Report
<b>6. Procurement</b>		
Has the mining company given HDSAs preferred supplier status?	Yes	Page 41
Has the mining company identified current levels of procurement from HDSA companies in terms of capital goods, consumables and services?	Yes	Page 41
Has the mining company indicated a commitment to progress procurement from HDSA companies over a three-year to five-year time frame in terms of capital goods, consumables and services and to what extent has the commitment been implemented?	Yes	Page 41
<b>7. Ownership and joint ventures</b>		
Has the mining 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% in 10 years?	Yes, at 33%	Page 33
<b>8. Benefication</b>		
Has the mining company identified its current level of benefication?	Yes	Sustainable Development Report
Has the mining company established its baseline level of benefication and indicated the extent that this will be grown in order to qualify for an offset?	Yes	Sustainable Development Report
<b>9. Reporting</b>		
Has the company reported on an annual basis its progress towards achieving its commitments in its annual report?	Annual compliance reports submitted to DMR	Sustainable Development Report