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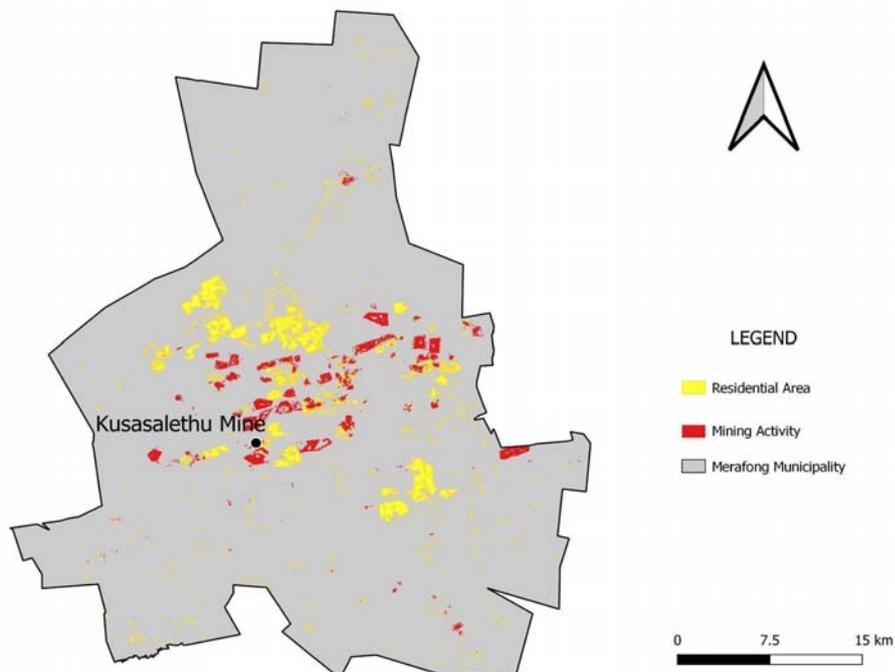
**SOCIAL AUDIT
MERAFOG
HARMONY GOLD KUSASALETHU MINE
2022**

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BACKGROUND

Merafong is a principal mining centre with a low-income population and most of its inhabitants live in poverty. It is situated in a dolomite area and the environs of the urban area have suffered from sinkhole destructions. It was developed by various mining companies from 1937 onwards. There are several privately-owned gold mining township villages and contractor labour quarters established on mining grounds owned by various mining houses which operate in the area. While the mines operate, they always change names amalgamated, the mine names are Blyvooruitzicht; Western deep levels; Dreifontein; Elandsrand; Doornfontein and Deelkraal. All these mines depended on the extraction of gold and uranium which is often recovered as a by-product of gold production. More mining houses are abandoned without proper rehabilitation and have left negative effects on the surrounding communities. Mining houses currently operating are AngloGold Ashanti, Harmony; Sibanye Stillwater; Blyvoor Gold and Corobrick plant. Blyvoor Gold is the only mine that is in the design and construction stage. Employment opportunities for the affected communities are limited and exclusionary recruitment practices are practised, with the local host communities benefiting the least.



Demographics

Despite being surrounded by some of the richest gold mines in the world, 37.8% of the youth within the Merafong City Local Municipality are unemployed.¹ The Municipality attempts to implement funded projects by mining houses which are characterized by the lack of local participation and poor government control. The township of Khutsong is classified as an urban region and has a total population of approximately 62458 people and 19413 households.² 7.6% of residents in Khutsong have no schooling, while the majority (43.2%) have some secondary schooling, with only 23.1% having achieved a matric pass.³ The residents of Khutsong are largely dependent on work in the informal sector, with 44.6% of the households being headed by women who do not benefit in the way of employment from the mines surrounding the community.⁴

WHAT IS A SOCIAL AUDIT?

A social audit is a community-led process whereby the cogency of the promises made by the mining companies affecting communities is put to the test. This process empowers communities to gather and legitimize evidence of their experiences of service delivery, and through this process enables them to claim and realise their constitutional rights to a transparent and accountable mining company. During a social audit, the expenditure and service delivery outcomes promised in the Social and Labour Plan (SLP) of a mine are tested to see whether community experiences of those outcomes reflect the vision of implementation as stated in the SLP.

An SLP contains proposed programmes that should be directed at the host mining-affected communities and labour sending areas, to offset the negative impacts of mining and improve the quality of life for both the mine employees and the mining-affected communities. Members of the community collectively participate in the processes of verifying the SLP of a particular mine by comparing the stated outcomes with the lived

¹ Statistics South Africa, "Merafong City", *StatsSA*, 2011, accessed 19 January 2022, http://www.statssa.gov.za/?page_id=993&id=merafong-city-municipality.

² Statistics South Africa, "Khutsong", *StatsSA*, accessed 19 January 2022, http://www.statssa.gov.za/?page_id=4286&id=11234.

³ Ibid.

⁴ Ibid.

experiences and realities of people on the ground. Evidence collected during the social audit is then reported to the responsible stakeholders at a public meeting and used as a vehicle for advocacy by the host community.

Community testimony, knowledge and experiences are a legitimate and central part of this evidence. A social audit provides a way to build effective and meaningful participation in poor and working-class communities by providing a means for a community to engage with the mining process that affects their lives. They provide an opportunity for poor mining communities to be heard, and space for people who have been excluded, deceived and cheated out of their benefits to interrogate the cogency of the mine's promises to the community. Mining companies are significant social players who account for a large portion of the South African economy. This power and financial muscle often allow mining companies the capacity to evade social responsibility using PR consultants and campaigns to produce glossy reports regarding their social commitments to the communities at which they operate. Their Corporate Social Responsibility (CSR) strategies are often synchronised with the Social Labour Plan (SLP) commitments, which may paint a good picture on paper, however, contradict the realities on the ground. SLPs are binding to companies and communities are empowered by the Mineral and Petroleum Resources Development Act⁵ (MPRDA) to require these commitments from the mining companies. The best methodology to interrogate the claims of mine companies is to conduct community-led social audits and collect evidence to verify the realities on the ground to potentially challenge the glossy PR reports.

The need to conduct a social audit in Khutsong arose from a multitude of factors including defunct Harmony Gold projects and the view amongst community members that there had been no contribution from the mine to the betterment of local communities surrounding the mine. The social audit aimed to discover whether there has been any development done, in accordance with the SLP of Harmony Gold Mine between the years

⁵ *Mineral and Petroleum Resources Development Act 28 of 2002.*

2013 and 2018. SLP's are renewed every 5 years and by doing a Social Audit the community is better able to:

1. Assess the extent of compliance with the SLP within the community of Merafong.
2. Assess whether Harmony Gold's SLP obligations are effective, efficient and provide sustainable goals to the community of Merafong.
3. Determine if appropriate measures exist that:
 - establish, monitor, and communicate the SLP process and procedures with the community;
 - ensure reliable information is available for all stakeholders involved including the Merafong Community; and
 - establish and communicate roles and responsibilities for all parties involved.

WHAT IS A SOCIAL AND LABOUR PLAN?

A Social and Labour Plan (SLP) is a document that mining companies are required to submit to the Department of Mineral Resources and Energy (DMRE) as part of their application for mining rights. According to the terms of the MPRDA, the mineral resources of the country are the common heritage of all who live in the country. Section 2 (d) of the MPRDA further states that its objectives are to 'substantially and meaningfully expand opportunities for historically disadvantaged persons, including women, to enter the mining and petroleum industries and to benefit from the exploration of the nation's mineral and petroleum resources.⁶ This emphasises the role of mineral resource extraction and operations as a pivotal means towards community development and women empowerment. Social and Labour Plans, therefore, are how mineral and petroleum exploration can benefit communities. An SLP is a document that mining companies are required to submit to the DMRE as part of their application for mining rights. According to section 23 (1) (e) of the MPRDA, (as amended by section 19b of Act 49 of 2008), the Minister must grant a mining right 'if the applicant has provided financially and otherwise for the prescribed social and labour plan. The MPRDA further places duties on mining right holders:

⁶ *Mineral and Petroleum Resources Development Amendment Act 49 of 2008: Section 2.*

Section 25 (2) (f) - Duty of holder of the mining right to comply with SLP;

Section 25 (2)(h), read with Section 28 (2) (c) - Duty of mining right holder to report annually on compliance with SLP.

Part II of the Mining and Petroleum Resources Development Regulations (Regulations) further provides for the regulations of SLPs. Section 41 (c) states that the objective of the SLP is to 'ensure that holders of mining rights contribute towards development of the areas in which they are in operation'. Further, section 46 (c) regulates the contents of the SLP and requires that they must include a Local Economic Development Programme (LED) comprising; (ii) the key economic activities of the area in which the mine operates and (iii) the infrastructure and poverty eradication projects that the mine would support in line with the Integrated Development Plan (IDP) of a local municipality and major sending areas. This report is limited to the contents of the LED section of the SLP and the social audit focused on investigating this section.

An SLP is a five-year plan, which needs to be completed and can be renewed by a mine with the DMRE over a five-year period. Once it is approved by the DMRE it becomes a legally binding document, containing commitments made by the company on what it will do for both communities and workers. It also stipulates how and when commitments will be executed, as well as what the budgets are for promised interventions or activities.⁷ It is, therefore, one of the instruments to address South Africa's long history of inequality in the mining sector. In principle, SLPs should be drafted with the consultation of the communities, however, that is not always the case. In terms of Regulation 45, a mining right holder must convene a minimum of three meetings per annum with mining affected communities, as well as interested and affected persons to update these stakeholders about the progress made with the implementation of the approved SLP and the outcome of these meetings must form part of the annual reports.⁸ Despite the comprehensive and progressive laws in place, the reality is that although the SLP system has been in force for over 12 years, most communities affected by mining still experience abject poverty

⁷ *Mining and Petroleum Resources Development Act 28 of 2002: Mining and Petroleum Resources Development Regulations.*

⁸ Mining and Petroleum Resources Development Regulations: Sec 45.

and underdevelopment. This is partly because SLPs are often designed without adequate consultation with the communities that stand to benefit from the mining operations on their land. Furthermore, mining companies often neglect to deliver on all the SLP commitments, and the DMRE often does not follow up on these commitments or enforce them, to the detriment of mining-affected communities.

The purpose of the SLP, therefore, is to promote employment, advance social and economic welfare, contribute towards transforming the mining industry and ensure that mining companies contribute to the development of the areas where they operate.

WOMEN IN MINING AFFECTED COMMUNITIES

Women who are not formally employed are the backbone of the functioning of mining-affected communities.⁹ The sustained employment of men and operation of the mine is indirectly dependent on women as they are heavily involved in social reproductive activities. Social reproductive activities refer to activities that enable their male counterparts to attend work in the mines. This includes activities such as house cleaning, cooking, maternal duties, et cetera. Although social reproduction is pivotal to the functioning of mining-affected communities (and, indirectly, the operation of mines), women are often excluded from decision-making processes as they are not formally employed by mining companies and there is a dominant belief that women are subservient to men in South African culture.

Men in mining-affected communities as such become the primary beneficiaries of mining activities. This is a norm in rural South African communities, as patriarchal structures are a mainstay in South African culture. In mining-affected communities, men are heavily involved in the operation of the mine itself, which provides them with employment and income. As a result, women in mining-affected communities become dependent on their male counterparts due to the lack of employment opportunities available to them. This impedes women's ability to accrue wealth and status in mining-affected communities. In some communities, such as in mining-affected communities in the Limpopo region,

⁹ Asanda Benya, "The invisible hands: women in Marikana", *Review of African Political Economy* 42, no. 146 (2015) at 545-560.

women are able to derive their independence from men through agricultural activities.¹⁰ Produce can be farmed and sold, with the surplus earned being used as an income for women. This may be difficult in regions where mining activity has caused a loss of land. Women in these regions may find it difficult to find alternative income and therefore, remain dependant on males who are employed by the mine, and may resort to sex work - major economic activity taken up by women in mining-affected communities. Sex work exacerbates the spread of diseases such as Tuberculosis (TB) and HIV/AIDS which thrive in mining-affected communities. Women in sex work also are largely vulnerable to violence and exploitation by clients, and to social stigma due to the lack of regulation and the discreet nature of sex work.

METHODOLOGY

The survey was conducted through a 38-item household questionnaire with closed and open-ended questions. Any member of the household who had stayed in the community for more than a year was eligible for an interview. The assumption was that people who had been in the community for less time would not be well acquainted with the issues regarding the mine and the community. The questionnaire was designed and followed by a training of community organisers who would conduct the household interviews. During the training, the community organisers had an opportunity to test the questionnaire and agree on ways to probe questions. The training, which was facilitated by AASA and MWAO, was also used to solicit the community views on what future inquiries would focus on. The training was conducted from July 2020 to 17 August 2020 and data collection occurred specifically on 20 September 2020. Interviews were held in the households. After the fieldwork, a de-brief meeting was conducted where all data collectors discussed issues arising from the survey, challenges, and strategies for making future community inquiries more effective. Data entry for completed surveys was conducted by MWAO for analysis of the quantitative variables. Theme analysis and quantifying common responses was conducted for the qualitative variables.

¹⁰ Mark Curtis, *Precious Metal: The Impact of Anglo Platinum on poor communities in Limpopo, South Africa* (South Africa: ActionAid, 2008).

The approach for this social audit included the following steps:

1. Holding a mass meeting and establishing a mandate
2. Preparing and organising the participants
3. Training participants
4. Analysing the Social Labour Plan
5. Developing and testing the social audits questionnaire
6. Gathering evidence
7. Capturing community experiences and testimonies
8. Agreeing on the main findings and organising evidence
9. Reflecting and follow up

WHAT HARMONY GOLD MINE COMMITTED TO UNDERTAKE DURING THE SLP YEARS AUDITED (2013-2017): LOCAL ECONOMIC DEVELOPMENT (LED)

Backlog Projects

1. Merafong Digital Hub

- Commitment to providing computer training programmes for out of school youth and computer literacy training
- 2012-2014
- Budget: R1 200 000.00

2. Merafong Waste Recycle

- 2012-2014
- Budget: R3 000 000.00

3. SMME Development

- Commitment to brand SMME stalls built by the Merafong Local Municipality
- 2014
- Budget: R120 000.00

4. Nooidgedacht Farm Support

- Commitment to install a windmill and fencing off the whole farm
- 2014
- Budget: R1 294 000.00

New Projects

1. Merafong Education Infrastructure

- Commitment to provide additional educational infrastructure in the mining communities
- 2014-2017
- Budget: R5 000 000.00

2. Merafong Health Infrastructure

- Commitment to provide additional health infrastructure in the mining communities
- 2014-2017
- Budget: R5 000 000.00

3. Deelkraal Community Rental Units

- Commitment to developing vacant Deelkraal hostel complex into a community rental project with all required amenities to sustain a vibrant community
- Consist of 556 1–3-bedroom flats, including a primary school etc
- Budget: R180 000 000.00
- 8 show flats have been completed
- Budget: R2 800 000.00

DISCUSSION

The results of the social audit (See Appendix A) were analysed in relation to the statement made by Harmony Gold (Kusasaletu) in their SLP. This includes an analysis of the community's knowledge and understanding of SLPs (including an analysis of male and female understanding); ABET; learnerships; portable skills training; Deelkraal community rental units; Nooitgedacht farm support; and the Merafong digital hub.

ABET (Adult Based Education Training)

In their SLP, Harmony Gold committed to taking employees of the mine through ABET but neglected to include the community in that commitment to upskilling the education of those affected by their operations. 9% of the respondents were aware that Harmony Gold did not commit to making community members functionally literate, whilst 91% of the respondents were not aware of this fact. Of those who did know that Harmony Gold did not commit to sponsor community members with ABET classes, the majority (30%) found out through word of mouth and 25% found out because they worked at the mine. This is indicative of a lack of consultation when formulating the SLP, but as well as a lack of communication regarding the commitments in the SLP once it has been formulated by the mine.

Learnerships

Harmony Gold is committed to training community members for Rock Breaker, Engineering, Repair and Services and Winding Engine Drivers.

3.6% of the respondents knew of this commitment and 96.4% did not know of the commitment to sponsor 170 community members with learnerships for the various skills training. When asked where the learnerships took place, out of 222 respondents none of the respondents could point to a location. The commitment from the SLP was that the learnership would take place over 2 years. According to one of the respondents the learnership took place for 12 months and not 2 years. From these responses, the learnerships did not take place following the SLP commitments. It is unknown whether a certificate was granted to the participants after the course was completed by the participants.

Portable Skills Training



Only 9 (4.1%) of the respondents knew of the portable skills training offered by Kusasaletu Mine, while 95.9% did not.

The majority (55.6%) of respondents found out through word of mouth, 3 (33.3%) found out through different NGOs and another (11.1%) found out through the media. This is indicative of poor advertising on the side of the mine concerning the post.

Out of 222, only 3 people (1.4%) knew of community members who had benefited from the portable skills training commitment. When asked where the portable skills training was held and how long the training was, there were varying answers without a trend.

Deelkraal Community Rental Units

Harmony Gold committed to developing the vacant Deelkraal hostel complex into a community rental project with all required amenities to sustain a vibrant community,



starting with 8 show units. Only 2 people (0.9%) knew of this project and the site. One of them alleged he worked at the project site and that was how he knew of the project.

Upon going to do the physical verification, the Social Audit Team found that the buildings in Deelkraal where the show units should have been, did not exist and that the old hostel complex was still standing without change to the area.

Nooigedaght Farm Support

Only one of the respondents (0.5%) knew of the project out of the 222 respondents, because they worked at the farm which was supported. Out of the 222 respondents, only 2 respondents (0.9%) knew of farmers who had benefited from the mine's contribution. This is indicative of a failure by the mine to make community members aware of their projects in the community. Furthermore, this is reflective of a common trend, whereby beneficiaries of projects by the mines are very few and therefore it cannot be said that the impact to the community is substantive.

Merafong Health Infrastructure

The mine committed to providing additional health infrastructure in the mining communities between 2014 and 2017. The affected community noted that the municipality had made an amendment to their IDP, which effectively affects projects that should be in the SLP. Welverdiend sports facility was supposed to be built to improve the health infrastructure in Merafong. None of the respondents knew of the sports facility. Which is indicative of a lack of a sports facility. When the social audit team went to the location where there should be a sports facility, they found nothing.

Merafong Digital Hub

Out of 222 respondents, 40 (18%) knew of the digital hub that was supported by the mine. The majority (37.5%) of the respondents, 15, found out about it by using the digital hub

and others (17.5%) by word of mouth and via billboards amongst other ways. When asked about its location many (77.5%) simply said 'yes', while those who noted a specific location gave vague and different locations.

When the team in the field did more research into the facts of the matter it was made known to them that the digital hub was abandoned in 2015, though the signage remained until 2020. In 2019 a different company bought the space from the municipality to utilise



it for the benefit of the community and to launch a business incubation. Which is consistent with the physical verification conducted by the social audit team. The project which was committed to by Harmony Gold, was meant to be a sustainable project which provides the community with opportunities for economic development, however the project has been completely abandoned. This is at odds with the objectives of the SLP system and brings into question the extent to which companies are expected to comply with their developmental commitments if projects can be commissioned and decommissioned. This further speaks to the exclusionary, paternalistic approach mining companies take with regards to projects that they implement within communities. Projects such as these can never be successful and sustainable without direct input from community members because that builds a sense of ownership over the project. Furthermore there cannot be accountability for haphazard project fulfilment without better oversight by the regulator.

Consultation

Affected communities are supposed to be consulted in the formulation of the SLP. However, when asked whether they know what a Social and Labour Plan is, the majority (94.6%) of the respondents did not know, while 9 (4.1%) did. Only 0.9% of the

respondents noted ever having been consulted by the mine on the formulation of the SLP, whereas 97.3% had never been consulted. This is indicative of a breach of their legal obligations to the community of Khutsong. 96.8% of the respondents had never seen the SLP of Harmony Gold Kusasaletu Mine, but 1.4% of the respondents had seen their SLP and noted that many of the projects therein had never been fulfilled, "it's just empty promises".

This speaks to the rest of the results in that the community members who participated in this social audit could not have known the commitments in the social and labour plan of Kusasaletu because they had never been communicated to them, and as such could not hold the mine accountable to fulfilling those commitments.

INTEGRATED REPORT SECTION

For the five-year cycle ending 2017, Harmony's social and labour plans claim to constitute an investment of approximately R261 million in local economic development projects.¹¹ Harmony reported in 2014 that they had delays in various projects which caused them to only spend R71.7 million on local economic development in terms of their Social and Labour Plan.¹² In their 2015 annual integrated report, it would seem that there were new social and labour projects added to their repertoire, because Harmony asserted that they had planned projects which amount to R844 million, of which as of June 2015 they had already spent R405 million on local economic projects.¹³ They further elaborated that in 2015 their expenditure on economic development projects in South Africa decreased to R62.5 million due to delays in various projects.¹⁴ In 2016 Harmony reported having spent R430 million as at June 2016 on projects in their social and labour plans, having spent only R17 million on local economic development stating that they experienced some

¹¹ Harmony Gold Mining Company Limited, "Integrated annual report 2013", 2022, accessed 11 October 2021, https://www.har.co.za/13/harmony_ar2013.pdf at 38.

¹² Harmony Gold Mining Company Limited, "Integrated annual report 2014", 2022, accessed 11 October 2021, <https://www.har.co.za/14/downloads/HAR-IR14.pdf> at 75.

¹³ Harmony Gold Mining Company Limited, "Integrated annual report 2015", 2022, accessed 11 October 2021, <https://www.harmony.co.za/invest/annual-reports> at 87.

¹⁴ Ibid.

difficulty implementing certain projects due to their reduced levels of profitability.¹⁵ As at June 2017 Harmony indicated that they had increased their expenditure on local economic development to R24 million, as compared to the previous financial year.¹⁶

According to Harmony their focus on socio-economic development revolves around investing in their employees, local economic development and corporate social investment. And sustainability is an essential component of Harmony's objective to leave lasting legacies for their employees, operations and host communities. With regards to stakeholder engagement, Harmony identifies its key stakeholders as trade unions, employees and contractors, government and regulators, industry bodies, host communities, media and analysts, providers of capital, shareholders, and partners, customers, and suppliers.

At Kusasalethu there were 5139 permanent employees and 1302 contractors accounted for in 2014 and claim to have contributed R65 million to local economic development and R37.1 million to training and development.¹⁷ In 2015 Kusasalethu Mine had 3898 permanent employees and 1020 contractors, while R30 million was claimed to be contributed to local economic development and R50 million towards training and development.¹⁸ In 2016 the mine had 3944 permanent employees and 539 contractors, claiming to contribute R5 million towards local economic development and R26 million towards training and development.¹⁹ There was no reporting found that specifically indicated statistics for Kusasalethu Mine in 2017.

A shortcoming of this analysis lies in that some of the figures and numbers provided are for group level, and do not address the specific mine that is being audited. This limitation applies to the ABET, Bursaries and Learnerships component of the section below. Furthermore the lack of specific reporting on how funds are spent in relation to the programmes and projects that Harmony purports to have completed in local communities makes it impossible to verify to what extent the claims made by the company are true.

¹⁵ Harmony Gold Mining Company Limited, "Integrated annual report 2016", 2022, accessed 11 October 2021, <https://www.har.co.za/16/download/HAR-IR16.pdf> at 56.

¹⁶ Harmony Gold Mining Company Limited, "Integrated annual report 2017", 2022, accessed 11 October 2021, <https://www.har.co.za/17/download/HAR-IR17.pdf> at 57.

¹⁷ Op cit. note 10 at 108.

¹⁸ Op cit. note 11 at 132.

¹⁹ Op cit. note 12 at 92.

Adult Education and Training

In the 2014 financial year, 1099 employees and community members enrolled in the Adult Based Education Training (ABET) classes at a cost of R52 million and achieved an overall 41% pass rate.²⁰ In the 2015 financial year, 476 employees and community members were enrolled for classes at a cost of R32 million.²¹ The overall pass rate was 53%.²² In 2016 Harmony reported that 412 employees and 8 community members were enrolled in these classes at a cost of R28 million, the overall pass rate being 56%.²³ In 2017 Harmony reported that 537 employees and 8 community members attended the ABET classes, at a cost of R38 million, with the overall pass rate being 66%.²⁴

From the above information it can be seen that, although there are no operation specific statistics, the number of community members benefiting from the ABET programme across the group is extremely low and not of significant impact. It must be borne in mind that ABET is for both employees and community members, in order to increase functional literacy and contribute to the developmental goals of the SLPs. However it would seem that the wider community is not being included in these developmental aspirations, which is in line with the findings of the social audit - that community members were largely unaware of the offering by Harmony.

Bursary Programme

During 2014 38 bursaries were reportedly awarded to deserving candidates in total, and 24 of the candidates came from local host communities.²⁵ A total of 6 bursars were hired at harmony after receiving their bursaries.²⁶ During 2015 33 bursaries were reportedly awarded to university students, 29 of which came from the local host communities.²⁷ According to Harmony, 52 bursaries were awarded to university students during 2016

²⁰ Op cit. note 15.

²¹ Op cit. note 16.

²² Ibid at 81.

²³ Op cit. note 17.

²⁴ Op cit. note 11 at 81.

²⁵ Op cit. note 10 at 72.

²⁶ Ibid.

²⁷ Op cit. note 11 at 82.

and 51 of those students came from local communities.²⁸ According to their 2017 report, 76 bursaries were awarded to tertiary students during the academic year, and 70 of those students were from local communities.²⁹

Learnerships

According to their integrated report Harmony has 3 formal learnership programmes in place: rock breaker, artisan, and service people. In 2014 Harmony reported having 283 active learners at different levels in their respective learnership programmes, of whom 81 completed their learnerships and most of them have been appointed to pertinent positions.³⁰ In 2015 there were 5 formal learnership programmes available: mining operations, rock breaking, artisan, service people, and winding engine driver.³¹ In 2016 214 learners were enrolled throughout the company and 100 of them completed their learnership programme.³² In 2017 152 learners were reportedly enrolled into the learnership programmes for the group, and 123 completed their learnerships.³³

Deelkraal Community Rental Units

In 2014 Harmony reported that the Deelkraal hostel renovations were still in the feasibility stage so not much progress was made in terms of realising this SLP commitment in 2014.³⁴ The status of the project had not changed in 2015 and remained in the feasibility stage.³⁵ In both the 2016 and 2017 integrated reports there was no further mention of the Deelkraal rental units, which may be an indication that these projects were not completed as shown by the social audit performed.

Merafong Community Digital Hub

²⁸ Op cit. note 12 at 51.

²⁹ Op cit. note 13 at 54.

³⁰ Op cit. note 10 at 72.

³¹ Op cit. note 11 at 82.

³² Op cit. note 12 at 51.

³³ Op cite. note 13 at 51.

³⁴ Op cit. note 10 at 74.

³⁵ Op cit. note 11 at 86.

The Merafong City Community Hub was a project in conjunction with AngloGold Ashanti Ltd. Each company contributed R500 000 to establish a community digital hub, which housed the Khutsong Business Centre and aimed to provide the community with services such as curriculum vitae typing, printing, copying, binding and faxing.³⁶ The centre also offered computer literacy courses to members of the community, with 30 members having completed the training in June 2014.³⁷ In 2015 Harmony did not add any specifications, but for noting the victories achieved in 2014 and stating that the project is up and running. In 2017 there was no specific reporting on the digital hub, which may be indicative of the fact that the hub was defunct at that point in time and no further reports could be made, as shown in the social audit findings.

Merafong Waste Recycle Project

This was reportedly a collaborative project between Harmony, AngloGold Ashanti Limited and Sibanye Gold Limited, as well as the Merafong Municipality and Khulisa Social Solutions, which is the implementing agent.³⁸ Each company committed to contributing R1 million over three years to the project, located in Fochville within the Merafong City Local Municipality.³⁹ The aim was to empower the community, create jobs and address environmental issues through the recycling of waste within the Merafong community.⁴⁰

According to Harmony's 2015 Annual Integrated Report, the project employed 8 local people in 2015, a balling machine was purchased, the permanent structure was complete, and construction was underway on ablution facilities.⁴¹ In 2017 Harmony reported that a water treatment plant was installed at Kusasalethu, however it is not clear from their reporting whether this plant was for the mine or the community at large.⁴² Nevertheless the social audit results show that community members did not know of these projects which may indicate that the project was not for the community at large.

³⁶ Op cit. note 10 at 76.

³⁷ Ibid.

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ Op cit. note 11 at 92.

⁴² Op cit. note 13 at 62.

Nooitgedacht Farm

Harmony reported having completed the installation of a windmill and the building of the restoration reservoir in 2014.⁴³ That was the only report provided by Harmony on this project in their integrated annual reports.

The overall unawareness of community members speaks to the lack of consultation on various projects purported to be implemented by Harmony, whereby only the municipality is drawn into the discussions because their IDP is the basis for these projects. Consultation on SLP projects, as well as progress reports on those projects must necessarily involve the wider community because community members are the ones most affected by the non-implementation of projects and those projects are meant to be for their benefit.

CONCLUSION

Khutsong residents, as a community affected by several mining operations, should be, in theory, a prosperous location, yet the opposite is true. According to the survey data and site visits conducted by the Social Audit Team, the mine operating in the area failed to meet all the targets set, and to implement the commitments set out in the SLP. Data further indicates that most of the Merafong residents were either unaware of the pending projects or have never seen projects that the mine claims to have completed, citing their dissatisfaction at the level of inclusion of host communities in matters that concern them. This could be due to poor stakeholder involvement, inclusive of the community and not just municipalities, when reporting on the progress of their projects. The mines also report delays based on various reasons, delays that affect the community by leaving it underdeveloped while mining operations continue. However due to poor reporting mechanisms, which are inclusive of the community, local community members are unable to get tangible updates on the progress of projects that are supposed to be implemented in their communities.

⁴³ Op cit. note 10 at 76.

This report indicates that there is a lack of consultation and awareness campaigns from the side of the mine, as well as a generally poor relationship between the mine and the community. The level of neglect of existing projects also clarifies the lack of Kusasaletu's commitment to the Merafong community, its duty to comply with the MPRDA and its role as a social player in uplifting communities who are affected by their mining operations.

APPENDICES:

Appendix A: Results and Observations

| ITEM | QUESTION | ANSWER | COMMENT |
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| ABET | Do you know that Harmony never committed to sponsor mining affected community members for ABET level one to four between 2014 and 2017? | Yes = 20 No = 202 | 9% of the respondents were aware that Harmony Gold did not make a commitment to make community members functionally literate, whilst 91% of the respondents were not aware of this fact. |
| | If yes, how did you find out? | Word of mouth = 6 MACUA = 1 Worked there = 5 SANCO = 1 Don't recall = 1 Newspaper = 2 Attended = 2 Don't know = 2 | Of those who did know that Harmony Gold did not make a commitment to community members to sponsor them with ABET classes, the majority (30%) found out through word of mouth and 25% found out because they worked at the mine. |

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| | Do you know the educational profile in Merafong from census 2011 outlook? (for instance in 2011 12.8% of the population had no schooling at all in 2016) | No = 222 | 100% of the respondents did not know the information provided by the last census done in South Africa, for Merafong, as it pertains to the educational profile of the community. |
| | Do you know that mining companies must provide social and economic baseline information of the mining affected community that includes educational levels? | Yes = 30 No = 192 | Out of 222 people, 30 of the respondents (13.5%) were aware that the mine must provide the social and economic baseline information of the affected community, inclusive of educational levels, whereas 86.5% were not aware. |
| | If yes, how did you know? | Earthlife = 1 Municipality = 1 | The majority of the respondents who answered the |

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| | | <p>Anglogold Ashanti = 1</p> <p>Harmony Gold = 1</p> <p>Attended = 1</p> <p>Internet = 2</p> <p>Word of mouth = 7</p> <p>Newspaper = 1</p> <p>SLP = 1</p> <p>Worked at the mine = 2</p> <p>Meeting with the mine = 1</p> <p>MACUA = 2</p> <p>N/A = 9</p> | <p>question (23.3%) found out through word of mouth.</p> |
| LEARNERSHIPS | <p>Do you know that Kusaslethu committed to sponsor 170 learners training on community members for Rock Breaker, Engineering, Repair and Services and Winding Engine Drivers?</p> | <p>Yes = 8</p> <p>No = 214</p> | <p>3.6% of the respondents knew of this commitment and 96.4% did not know of the commitment to sponsor 170 community members with learnerships for the various skills training.</p> |
| | <p>If yes, how did you find out?</p> | <p>Hearsay = 5</p> <p>Mine = 1</p> <p>Newspaper = 1</p> <p>N/A = 1</p> | |

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| | Do you know how much money was committed for this project? | Yes = 1 No = 221 | Only one person knew how much was set aside for the implementation of this project. |
| | Do you know where they attend? | No = 222 | When asked where the learnerships took place, none of the respondents could point to a location. |
| | If yes, give the name of the place | Don't know = 222 | |
| | How long was the duration of the course? | 12 months = 1 Don't know = 221 | According to one of the respondents the learnership took place for a period of 12 months and not 2 years. |
| | Was there any fee required? | Not required = 1 Don't know = 221 | There was accordingly no fee required by the participants for their participation in the course. |
| | Did they get a certificate for the course they undertook? | Don't know = 222 | It is unknown whether a certificate was granted to the participants after the course was completed by the participants. |
| | What happened after completion of the course? | Don't know = 222 | |

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| <p>PORTABLE SKILLS TRAINING</p> | <p>Do you know of any portable skills offered by Kusasaletu to mining affected communities during 2014 to 2017? (Basic electrical, garment making, end user computing; furniture making and plumbing)</p> | <p>Yes = 9 No = 213</p> | <p>Only 9 (4.1%) of the respondents knew of the portable skills training offered by Kusasaletu Mine, while 95.9% did not.</p> |
| | <p>If yes, how did you find out?</p> | <p>NGO = 3 Word of mouth = 5 Media = 1</p> | <p>The majority (55.6%) of respondents found out through word of mouth, 3 (33.3%) found out through different NGOs and another (11.1%) found out through the media.</p> |
| | <p>Do you know any of the community who has benefitted from this commitment?</p> | <p>Yes = 3 No = 219</p> | <p>Out of 222, only 3 people (1.4%) knew of community members who had benefitted from the portable skills training commitment.</p> |

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| | Do you know where they did attend? | Business hub = 1 Tshepo Themba = 1 Don't know = 1 | When asked where the portable skills training was held and how long the training was, there were varying answers without a trend. |
| | How long was the duration of the course? | 2 weeks = 1 2 months = 1 6 months = 1 | |
| DEELKRAAL COMMUNITY RENTAL UNITS | Do you know of eight show units for a community rental project in Deelkraal that Kusasaletu completed? | Yes = 2 No = 220 | Only 2 of the respondents knew of the community rental project (0.9%). |
| | If yes, how did you know about it? | Worked there = 1 Word of mouth = 1 | |
| | Do you know how the planned project will consist of how many bedrooms? | More than 5 rooms = 1 Don't know = 1 | |
| | Do you know how much was spent on eight show flats? | Don't know = 222 | None of the respondents knew how much was set aside for the construction of the show units. |
| NOOIDGEDAGHT FARM SUPPORT | Do you know of Nooidgedaght farm which was supported by Kusasaletu for a | Yes = 1 No = 221 | Only one of the respondents (0.5%) knew of the project out of the 222 respondents, |

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| | small scale farm community in Fochville? | | because they worked at the farm which was supported. |
| | If yes, how did you know about it? | Worked there = 1 | |
| | Do you know anyone who worked on this project? | Yes = 1 | |
| | Do you know how many small-scale farmers benefited from this project? | Yes = 2 No = 220 | Out of the 222 respondents, 2 (0.9%) knew of farmers who had benefited from the mines contribution. |
| | Do you know the cost of the project? | Don't know = 222 | None of the respondents knew how much was set aside for this project. |
| MERAFONG HEALTH INFRASTRUCTURE | Do you know of the Welverdiend sports facility that was submitted by Merafong Municipality as an amendment to the 2013-2017 Local Economic Development commitment under the Kusasaletu? | No = 222 | None of the respondents knew of the sports facility. |

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| | If yes, do you know where the sports facility is? | Don't know = 222 | |
| | Do you know any consultant appointed for ground survey? | Don't know = 222 | |
| MERAFONG DIGITAL HUB | Do you know of the Merafong Digital hub which was supported by Kusasaletu? | Yes = 40 No = 182 | Out of 222 respondents, 40 (18%) knew of the digital hub that was supported by the mine. |
| | If yes, how did you know about it? | Advert = 2 Word of mouth = 7 Seeing/using it = 15 Still in planning phase = 1 Newspaper = 1 Harmony billboard = 7 Site board = 2 Social media = 3 Work there = 1 N/A = 1 | The majority (37.5%) of the respondents found out about it by using the digital hub and others (17.5%) by word of mouth and via billboards amongst other ways. |
| | Do you know where it is situated? | Yes = 31 Behind Tshepo Temba = 1 Khutsong = 2 Khutsong former bar = 1 | When asked about its location many (77.5%) simply said 'yes', while those who noted a specific location |

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| | | Next to OBC = 1 No = 1 Don't know = 3 | gave vague and different locations. |
| | Do you know how much was contributed to the project? | Yes = 1 Don't know = 221 | Only one person knew how much was contributed by the mine for the project. |
| CONSULTATION | Do you know what a Social and Labour Plan is? | Yes = 9 No = 210 N/A = 3 | When asked whether they know what a Social and Labour Plan is, the majority (94.6%) of the respondents did not know, while 9 (4.1%) did. |
| | Have you ever been consulted by any mine with regards to the formulation of SLP? | Yes = 2 No = 216 N/A = 4 | Only 0.9% of the respondents noted ever having been consulted by the mine on the formulation of the SLP, whereas 97.3% had never been consulted. |
| | Have you ever seen the local mine SLP? | Yes = 3 No = 215 N/A = 4 | 96.8% of the respondents had never seen the SLP of Harmony Gold Kusasaletu Mine, but 1.4% of the |

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| | | | respondents had seen their SLP |
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