

## 1. PURPOSE

The purpose of this policy is to provide guidelines to regulate the management of Employment Equity in the Afrimat Limited group.

## 2. APPLICATION AND MANAGEMENT INTENT

This policy is applicable to all employees and employee related policies and practices of the Company.

The Company believes that the achievement of world-class standards and global competitiveness will require that the potential of every individual is developed and utilised. To ensure this, the Company has embarked on a process of social transformation to remove the barriers to the employment and advancement of all South Africans and to accelerate the training and promotion of designated groups. Through the implementation of Employment Equity programmes, the Company will create an environment of sustainable diversity as its competitive advantage for the future.

## 3. DEFINITIONS

- “Act” means the Employment Equity Act, No 55 of 1998 as amended.
- “Black People” means Africans, Coloureds and Indians, as defined in the Act.
- “Business Unit” means the workplaces of the Company.
- “Designated groups” means black people, women and people with disabilities.
- “Harassment” means any unwanted verbal, non-verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of a specific characteristic of that person such as their race, gender, sex, ethnic or social origin, colour, sexual orientation, age, disability, conscience, belief, political opinion, culture, language and national origin. It also includes incitement to commit such an act.
- “Company” means Afrimat Limited and its subsidiaries.
- “People with disabilities” means people who have a long-term or recurring physical or mental impairment which substantially limits their prospects of entry into, or advancement in, employment.

## 4. EMPLOYMENT EQUITY OBJECTIVES

The Company’s Employment Equity objectives are to:

- Prevent the existence of unfair discriminatory practices in the Company.
- Prevent sexual and racial harassment in the Company.
- Prevent the existence of barriers in the workplace which unfairly restrict employment and promotion opportunities of any person.
- Achieve an enhanced representation of currently underrepresented categories of people, with the emphasis on individuals from designated groups, at all levels in

the organisation, focused on the long-term objective of reflecting the demographics of the South African population.

- Create an organisational culture in which diversity is encouraged and valued while focusing on shared values in order to develop team spirit, promote mutual understanding, optimise potential and achieve organisational goals in serving the community.

## **5. ASSESSMENT OF CURRENT REALITY**

### **5.1 Human Resources Audit**

Human Resources policies, procedures, practices and the working environment must be audited periodically to ensure that the employment opportunities and advancement of people from designated groups are adequately addressed.

The focus of the audit at corporate level is on policy, whereas the focus at Business Unit level will be on procedures, practices and the working environment. Employment policies and practices include recruitment procedures, advertising and selection criteria, appointment processes, job classification and grading, remuneration, job assignments, facilities, training and development, performance evaluation, promotion, transfer, demotion, discipline and dismissals.

Employees' perceptions with regard to discrimination, barriers to advancement, and the accommodation and advancement of diversity must be assessed.

### **5.2 Economically Active Population Profile (EAP)**

A profile of its workforce in each occupational category and level must be compiled and maintained at each Business Unit to determine the level of representation according to the South African demographics.

The amendments to the regulations of the Act, as published in Government Gazette 32393 of 14 July 2009, state that "when a designated employer collects information contemplated in Section 19 of the Act, the employer must request each employee in the workforce to complete a declaration using the EEA1 form. Where an employee refuses to complete form EEA1 or provides inaccurate information, the employer may establish the designation of an employee (gender, race, disability) by using reliable historical and existing data.

## **6. EMPLOYMENT EQUITY PLANS**

### **6.1 Compilation and Submission Levels**

The amendments to the regulations of the Act, as published in Government Gazette 32393 of 14 July 2009, further state that "a designated employer whose operations extend across different geographical areas, functional units, workplaces or industry sectors may choose to submit a separate report for each registered entity or submit a consolidated report. Each entity will submit a consolidated report and each Business Units must have its own employment equity plan which must be in full compliance with the Act.

## 6.2 Content

The amendments to the regulation of the Act, also state that a designated employer must refer to the relevant Codes of Practice issues in terms of Section 54 of the Act when preparing an Employment Equity Plan contemplated in Section 20 of the Act.

Employment Equity Plans must address the following:

- 6.2.1 The objectives to be achieved for each year of the plan in realising the Employment Equity goals;
- 6.2.2 Identify the employment barriers that adversely affect the employment opportunities and advancement of all the people of the Company, including designated and non-designated groups, through the HR Audit, and the steps to be taken to eliminate those barriers;
- 6.2.3 The affirmative action (AA) measures to be implemented to ensure that suitably qualified groups have equal opportunities and are equitably represented in all occupational categories and levels in the workforce, which must include the identification and elimination of employment barriers, measures to achieve further diversity in the workplace;
- 6.2.4 Positive measures to be implemented for the advancement of persons from designated groups in the workplace including:
  - Measures to achieve further diversity, regarding the equal dignity and respect for all people;
  - Modifications or adjustments to jobs or the working environment that will enable people with disabilities access to participate or to advance in employment;
  - Affirmative action measures, such as to preferentially appoint and promote suitably qualified black people, women and people with disabilities to ensure their equitable representation in all occupational categories and levels; and
  - Measures to retain, train, and develop black people, women, and people with disabilities.
- 6.2.5 Where under representation of people from designated groups is identified by an analysis, the numerical goals to achieve the equitable representation of suitably qualified designated groups within each occupational category and level in the workforce, the time table in which this is to be achieved and the strategies to achieve it;
- 6.2.6 The timetable for each year of the plan for the achievement of goals other than numerical goals;
- 6.2.7 The duration of the plan. This may not be shorter than one year or longer than five years;
- 6.2.8 The procedures that will be used to monitor and evaluate the implementation of the plan and whether reasonable progress is being made towards implementing employment equity;

6.2.9 The internal procedure to resolve any disputes about the interpretation or implementation of the plan;

6.2.10 The senior managers, in conjunction with the Employment Equity Committee and Consultative Forums, who will be responsible for implementation and monitoring of the plan.

## **7. COMMUNICATION AND CONSULTATION**

The Company will implement this Policy with the full participation of employee organisations and structures. Communication and consultation are managed within the processes and principles set out in the following paragraphs.

### **7.1 Management Responsibility**

Assigned Senior Managers for each Business Unit and Corporate Centre are appointed as responsible for Employment Equity progress.

### **7.2 Employment Equity Committees**

An Employment Equity Committee exists at each Business Unit and Corporate Centre, consisting of Managers and or Heads of each Functional Area or Department interacting directly with the office of the respective General Manager / Mine Manager of the Business Unit and Corporate Centre. The EE Committee is responsible for:

- Developing, consulting, communicating and implementing the Employment Equity Plan,
- Overseeing the annual Human Resources Audit,
- Overseeing the Employee Perception Survey,
- Monitoring progress on implementation of the EE plan in all departments at the Business Unit and Corporate Centre.

### **7.3 Consultative Forums**

A Consultative Forum for employment equity comprising representatives of all occupational categories and levels and both designated and non-designated groups and representatives of the recognised trade unions where applicable must be established.

The Consultative Forum must be consulted on:

- the analysis of employment policies, practises and procedures and the working environment to identify employment barriers which adversely affect people from designated groups,
- the analysis of the workforce profile in order to determine the degree of under representation of people from designated groups,
- the preparation and implementation of the employment equity plan and,
- the employment equity reporting to the Director General of the Department of labour each year.

The Consultative forum must meet regularly to receive feedback on progress on implementation of the EE plan and they must have access to relevant information.

#### 7.4 General Communication

This Policy, details of the Employment Equity Plans and the report that will be submitted to the Director General of the Department of Labour must be communicated to all employees in accordance with the Company's communication philosophy.

### **8. ROLES AND RESPONSIBILITIES**

The ultimate responsibility for the successful implementation of the Policy resides with top management, as assisted by the Managers of the various Business Units and Corporate Centre. Roles and responsibilities in respect hereof are set out in the following paragraphs.

#### 8.1 Business Unit Managers

The Business Unit Managers will be responsible for the development and implementation of detailed Employment Equity Plans, in consultation with their respective Employment Equity Committees / Consultative Forums and in accordance with the strategic directives.

#### 8.2 Human Resources

The Human Resource function will act in a supportive role as facilitator, with specific attention to:

- advising relevant parties (line management / representatives, etc.) on the development and implementation of policy and programmes;
- on-going advice on issues of racial and gender sensitivity;
- process that is aligned with corporate dispute resolution procedures to resolve conflicts arising from the implementation of the Policy;
- facilitation of formation of and discussions at Employment Equity Committees and Consultative Forums;
- assisting Business Units and Corporate Centre in the setting of numerical goals and devising of appropriate Employment Equity Plans; and
- evaluating and improving grievance procedures to minimise the possibility of discriminatory harassment.

### **9. MONITORING AND EVALUATION**

The managers heading Business Units are tasked with the responsibility of overseeing the effective implementation of the agreed Employment Equity Plans in their areas of managerial responsibility.

The achievement of targets in relation to affirmative action programmes and numerical goals, in terms of the relevant Employment Equity Plans, have been incorporated into the key performance areas against which general managers and

line managers will be evaluated. Line managers will also be evaluated on their ability and efforts to develop and retain their staff.

#### **10. ORGANISATIONAL VALUES AND CAPABILITIES**

The success of the Policy will be underscored by the implementation of a shared common value system that will be developed interactively with employees at all levels within the Company. The Company will implement measures to accommodate the various cultural, religious and social interests of the people in its employ. All managers will be equipped with the skills to manage the diverse composition of their staff so as to optimise the human resource potential in the organisation.

**END.**