

2020

ESG REPORT



SUSTAINABLE GOLD
CELEBRATING OUR 70TH ANNIVERSARY

ABOUT THIS REPORT

This is Harmony's second dedicated Environment, Social and Governance (ESG) Report, produced for the financial year ended 30 June 2020 (FY20). This report, which is aimed primarily at investors and analysts, covers all our operations and activities in South Africa and Papua New Guinea. Significant events occurring after year-end and before the date on which this report was approved are also considered.

This report is intended to provide insight into the company's ESG performance, not only in the current year, but over the past five years (where this information is available and relevant). It is largely data-based and is intended as a useful guide to support analysis, and is augmented by our suite of reports that provides a more detailed narrative, particularly our Integrated Annual Report.

Our reporting boundaries that have been followed in our reporting are as follows:

Integrated reporting boundary

Risks and opportunities resulting from our external operating context

Risks and opportunities resulting from operational, social and environmental variables

Financial reporting boundary

Wholly-owned subsidiaries/entities

Joint arrangements

Investments over which we have significant influence

Risks, opportunities and material matters stemming from engagement with stakeholders – investors, employees, communities, governments/regulators, suppliers

Materiality

Our reporting addresses those aspects that we consider to have, and most likely will continue to have, a material impact on our performance and ability to deliver on our strategy and its objectives, and our ability to create value, in the short, medium and long term.

Engagement with stakeholders and their primary concerns are key in determining these aspects. For a better understanding of these, see Stakeholder engagement and material issues and Managing our risks and opportunities, in our Integrated Report.

Reporting frameworks, guidelines and standards considered in compiling our reports:

- International Integrated Reporting Framework
- King Report on Corporate Governance for South Africa, 2016 (King IV)
- Global Reporting Initiative (GRI) Standards for sustainability reporting
- United Nations Sustainable Development Goals (SDGs)
- International Council on Mining and Metals – 10 principles
- United Nations Global Compact
- Voluntary Principles on Security and Human Rights
- JSE Listings Requirements
- World Gold Council's Responsible Mining Principles

We have also considered the Principles for Responsible Investment, a United Nations-supported international network of investors, which reflect the increasing prominence of ESG issues to investors.

OUR 2020 SET OF REPORTS INCLUDES:



These reports, together with other supporting documents, are available online at www.har.co.za. Other additional information can be found at www.harmony.co.za.

OTHER REPORTS

Form 20-F

Annual report filed with the United States Securities and Exchange Commission, in compliance with the listing requirements of the New York Stock Exchange

Global Reporting Initiative Content Index

An index of the indicators reported in terms of the Global Reporting Initiative

TCFD

Task Force on Climate-related Financial Disclosures

Note: all photographs used in this report were taken before the Covid-19 pandemic and do not reflect Harmony's standard operating procedure.

We would appreciate feedback from investors, analysts and other stakeholders on this, our first ESG report. Please help us to improve this report and to meet your ESG information needs in the future by completing a short survey at www.surveymonkey.com/lr/RMBY7BR or follow this QR code.



■ Phakisa



SUSTAINABLE GOLD

For the past 70 years Harmony has, more than any other gold mining company in South Africa, demonstrated true sustainability. From our enduring history, to the product we mine and the way in which it is mined, to the care we take to preserve the environment and the support we provide to our communities, Harmony has illustrated, time and again, that sustainability is the driving force of our business.

The theme of Sustainable Gold resonates throughout our reporting suite:

- Not only the longevity of operations, but the way in which we are able to turn our assets to account by extracting the maximum value over a longer life-of-mine.
- The unquestioned enduring value of the product we mine.
- Through the role we play as a responsible corporate citizen.
- As we grow and develop our people and assets, and provide sustainable value to all our stakeholders through responsible operation and economic regeneration.

Indices:

FTSE4Good index, Bloomberg Gender-Equality Index, FTSE/JSE Africa Top 40 index (included from 18 September 2020).

DEFINITIONS AND ABBREVIATIONS

Definitions and abbreviations used in this report may be found in the back cover.

This ESG Report should be read in conjunction with the *ESG Data Tables* which are available online.



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- IBC Definitions and abbreviation
- IBC Administration and contact details

FEEDBACK

We welcome your feedback on these reports. Should you have any comments or suggestions on this report, contact our investor relations team at: HarmonyIR@harmony.co.za

CORPORATE PROFILE

Harmony, a gold and copper mining and exploration company, operates in South Africa and Papua New Guinea, one of the world's premier new gold-copper regions.

With 70 years in the industry, Harmony is an experienced emerging market gold miner and the largest gold producer in South Africa. We are also a significant operator of gold tailings retreatment facilities.



OUR PURPOSE

To be a global, **sustainable gold producer**, with a large copper footprint, creating shared value for all stakeholders

OUR MISSION

To create value by operating safely and sustainably and by growing our margins

OUR IMPACT

At Harmony, we understand that our activities and the conduct of our business impacts the lives of the people we employ, the communities that surround our mines and the environment. This impact has economic and social implications for our stakeholders and for the countries in which we operate. In line with our purpose, we strive to ensure that, on balance, our contribution is positive and that, once mining ceases, our legacy is enduring.

WHERE WE OPERATE



South Africa

Production:

~1.1Moz (87%)

Located on the Witwatersrand Basin and the Kraaipan Greenstone Belt, our South African operations accounted for 62% of group Mineral Resources (gold and gold equivalent ounces) and 48% of group Mineral Reserves at year end

UNDERGROUND

West Rand: Doornkop / Kusasaletu

Klerksdorp goldfield: Moab Khotsong

Free State*: Tshepong operations / Bambanani / Target 1 / Joel / Masimong

SURFACE

North West: Kalgold

Free State: Surface sources**

* Closure is currently underway at Unisel, where stoping activities are scaling down

** Includes the Tswelopele Beneficiation Operation (Proprietary) Limited in which Harmony has a holding of 75%

Papua New Guinea

Production:

~157 000oz (13%)

Located on the New Guinea Mobile Belt, in the Morobe Province, our Papua New Guinea operation accounted for 38% of group Mineral Resources (gold and gold equivalent ounces) and 52% of group Mineral Reserves at year end

Hidden Valley (open-pit gold and silver mine)

Wafi-Golpu (copper-gold joint venture – 50%)

Multiple exploration areas

OUR VALUES



No matter the circumstances, safety is our main priority



We are all accountable for delivering on our commitments



Achievement is core to our success



We are all connected as one team



We uphold honesty in all our business dealings and communicate openly with stakeholders

MITIGATING RISK, PURSUING OPPORTUNITY

Mining is a business laden with risks, both from an operational and external operating environment perspective. It is only by being fully aware and understanding all these risks and implementing mitigating initiatives that a mining business can not only be successful but also sustainable. In 2018, we adopted the Harmony risk management strategy, the ultimate objective of which is to achieve safe profitable production at all our operations in South Africa and Papua New Guinea. It is also intended to embed a culture of risk awareness and mitigation in all our employees – from the miners at the rock face to executive management and of course among our board members – to ensure that we operate safely and productively.

Our risk management strategy is essentially a four-layer approach to identify, assess and control all hazards and risks that could impact our ability to achieve safe and profitable production.

The structure of this four-layer approach is as follows:



Identifying risks and analysing the most effective strategies or initiatives to mitigate those risks



Implementing golden controls with routine inspection and maintenance



Continuous monitoring to assess the effectiveness of controls, with regular analysis and reporting, and action management on all failures



Identifying and defining any improvements that could be made to any of our risk management initiatives

By understanding those factors in our internal and external operating environments that create uncertainty and risk as well as their inter-related dynamics, we are better able to manage the effects of such risks and to position Harmony to take advantage of any opportunities, future challenges and growth prospects.

For a detailed discussion on our risk mitigation processes, see our [Integrated Report 2020](#).

OUR ENTERPRISE RISK MANAGEMENT PROCESS

At Harmony, our approach to risk management relies on the continuous monitoring of risk and related mitigation procedures and, when appropriate, their revision.

Risk management has, as its starting point, our business strategy and related strategic objectives, and similarly for opportunities. Identifying and understanding those factors that have the potential to limit our ability to deliver on our strategy is vital – and conversely for those factors that present opportunities – and will enable us to achieve our goals.

Risk management process

OVERSIGHT OF RISK GOVERNANCE PROCESS	EXECUTIVE MANAGEMENT	IMPLEMENTATION AND DAY-TO-DAY MANAGEMENT
<p>Board Top strategic, operational and ESG-specific risks and mitigating factors are reported quarterly to the board by committees</p> <p>Audit and risk committee Responsible for oversight of risk governance and ensuring that strategic risks are appropriately addressed and managed. Reviews and evaluates the policies, systems and processes in place to identify, monitor and manage risk, including our risk management policy, methodology and planning, formal risk assessment, internal controls and assurance processes, our risk appetite and tolerance, and our responses to the risks identified</p> <p>Technical committee Monitors safety and operation-specific risks</p> <p>Other board committees Review specific risks falling within the ambit of their responsibilities</p>	<p>Conducts quarterly reviews of Harmony's strategic risk profile to:</p> <ul style="list-style-type: none"> • assess its completeness • consider those external and internal factors which could lead to any new/emerging risks and opportunities • revisit the likelihood and impact/ consequence of existing risks and to similarly assess any new or emerging risks and opportunities to determine a residual rating for each • review the completeness, effectiveness and/or relevance of mitigating actions implemented and to evaluate the resulting residual risk ranking 	<p>Operational management teams Implement and oversee day-to-day risk management</p> <p>Safety A four-layered risk-based approach to actively manage safety adopted in both South Africa and Papua New Guinea – for further information on this risk-based approach to safety, see Safety and health, Environment and Governance in this report</p> <p>Operations Each operation maintains, updates and regularly reviews its risk register. These operational risk registers are formally reviewed weekly by the regional general managers together with country-based executive management teams</p>

Determining our most significant risks and opportunities

We closely monitor our risks and identify and manage those that are most material to the company. While our group-level risk appetite and tolerance levels are subject to formal annual reviews, they are continually monitored for relevance in terms of changing macro-environment factors. Our tolerance levels are further defined at lower tolerance limits per risk.

OUR TOP STRATEGIC RISKS AND OPPORTUNITIES

Our risk profile is based on potential events and/or factors that pose either a threat and/or an opportunity. These downside and upside risks and opportunities are taken into account in our day-to-day business activities and, having been identified, are integral to the formulation and management of our group strategy.

Top strategic risks

1	Covid-19 pandemic – spread of infection and potential impact on business sustainability
2	Failure to eliminate fatalities and improve safety performance
3	Depleting Ore Reserve base
4	Increasing costs and declining margins
5	Ensuring licence to operate and increasing cost of regulatory compliance
6	Failure to achieve our operational objectives
7	Supply insecurity, rising cost of electricity and the use of fossil fuel-generated electricity in South Africa
8	Criminal mining and related activities
9	Upgrades to major technology and information systems
10	Divergent price and foreign exchange fluctuations (from plan)
11	Inefficient capital allocation
12	Ore Reserve/mining flexibility

Top strategic opportunities

1	Merger and acquisition opportunities – consolidation of our South African operations
2	Moving Wafi-Golpu up the value curve
3	Gold price and foreign exchange hedging programmes
4	Productivity and business improvements
5	Implementation of new technology
6	Establishing a project pipeline to replace or contribute new production ounces



HARMONY'S SUSTAINABILITY STRATEGY IN BRIEF

The principles of sustainable development are embedded in our business strategy, business processes and decision making. Sustainable development is covered by the fourth pillar of our strategy – responsible stewardship.

This fourth pillar underpins our operating philosophy, which is profit with purpose, and hinges on maintaining strong relationships by engaging and collaborating with stakeholders. Our responsibilities, as a corporate citizen, as environmental stewards and to live our values, remain top of mind.

This pillar, which supports our aim to produce safe, profitable ounces, entails our being mindful of the impacts of our business activities – countries that we operate in, our employees, host communities and environment – and to have in place plans to limit, manage and mitigate these impacts. It is only through engagement and partnerships that we are able to continue mining gold responsibly and sustainably.

Over the past two years, we have focused on actively implementing key tenets of our new sustainable development framework – from building our portfolio of assets for profitable ounces to managing and mitigating our water and climate risks as we embedded our proactive safety and healthcare strategies and built trust in the communities in which we operate. We have implemented and developed the necessary standards and systems (based on the relevant ISO standards) for environment, risk and safety. We have standardised processes and definitions, embedding these in our culture and values, and in our approach to leadership.

Over the next five years we aim to strengthen our delivery on key sustainable development indicators and the SDG targets as they apply to our business.



SUSTAINABLE DEVELOPMENT GUIDELINES AND FRAMEWORKS APPLIED



United Nations Sustainable Development Goals (SDGs): These 17 goals, which were adopted by member states in September 2015, contain 169 indicators and targets. They are aimed at creating a better world by 2030, by eliminating poverty, fighting inequality and ensuring that the world is safe from the worst effects of climate change. An important aspect of these goals is the role of business and the private sector, together with governments, civil society and the public, in achieving these targets. Harmony adopted the SDGs in 2018.



World Gold Council Responsible Gold Mining Principles: These principles address key environmental, social and governance issues for the gold mining sector and set out clear expectations for consumers, investors and the downstream gold supply chain as to what constitutes responsible gold mining. We are currently in the second year of the three-year process for formal certification in line with these principles.



Task Force on Climate-related Financial Disclosures (TCFD): We have produced our first report in accordance with these disclosures for FY20. Previously, we had reported on our climate- and water-related performance in our submissions to CDP Climate Change and CDP Water (formerly the Carbon Disclosure Project).

Although Harmony is not a member of the International Council on Minerals and Metals (ICMM), or a signatory to the United Nations Global Compact (UNGC) or the Voluntary Principles on Security and Human Rights (VPSHR), we are guided by and have adopted their principles to support our sustainable development framework, particularly those relating to management of tailings storage facilities. We also take into account the Organization for Economic Co-operation and Development's (OECD's) guidelines for responsible investment.

As a member of the Minerals Council South Africa, we subscribe to its Membership Compact, a mandatory code of ethical business conduct, and its guiding principles.



Papua New Guinea

ALIGNING WITH THE SDGS



TIER 1: DESCRIPTION

- 3** Ensure good health and promote the well-being of all
- 5** Promote gender equality and empower women and girls
- 8** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work
- 12** Ensure sustainable, responsible consumption and production patterns
- 13** Take urgent action to combat climate change and its impacts
- 15** Protect, restore and promote the sustainable use of terrestrial ecosystems, halt and reverse land degradation, and halt biodiversity loss

TIER 2: DESCRIPTION

- 1** End poverty in all its forms everywhere
- 2** End hunger, achieve food security and promote sustainable agriculture
- 4** Ensure inclusive and equitable quality education and promote lifelong learning opportunities
- 11** Make cities and human settlements inclusive, safe, resilient and sustainable

COLLABORATING FOR THE SDGS

- 17** Collaboration with various stakeholders

Given our dependence on natural and human resources, and having operated in emerging market countries for decades, Harmony acknowledges the role we must play in contributing to broader sustainable development issues such as taking action against climate change and fossil-fuelled energy consumption, ending poverty, and efficiently managing our use of scarce natural resources such as water, land and biodiversity.

In South Africa, the SDGs are driven through the National Development Plan. As a private sector company and a long-standing South African gold producer, we are committed to doing our part to support the governments in South Africa and Papua New Guinea in reaching these goals. Our core purpose also aligns our business objectives with the SDGs.

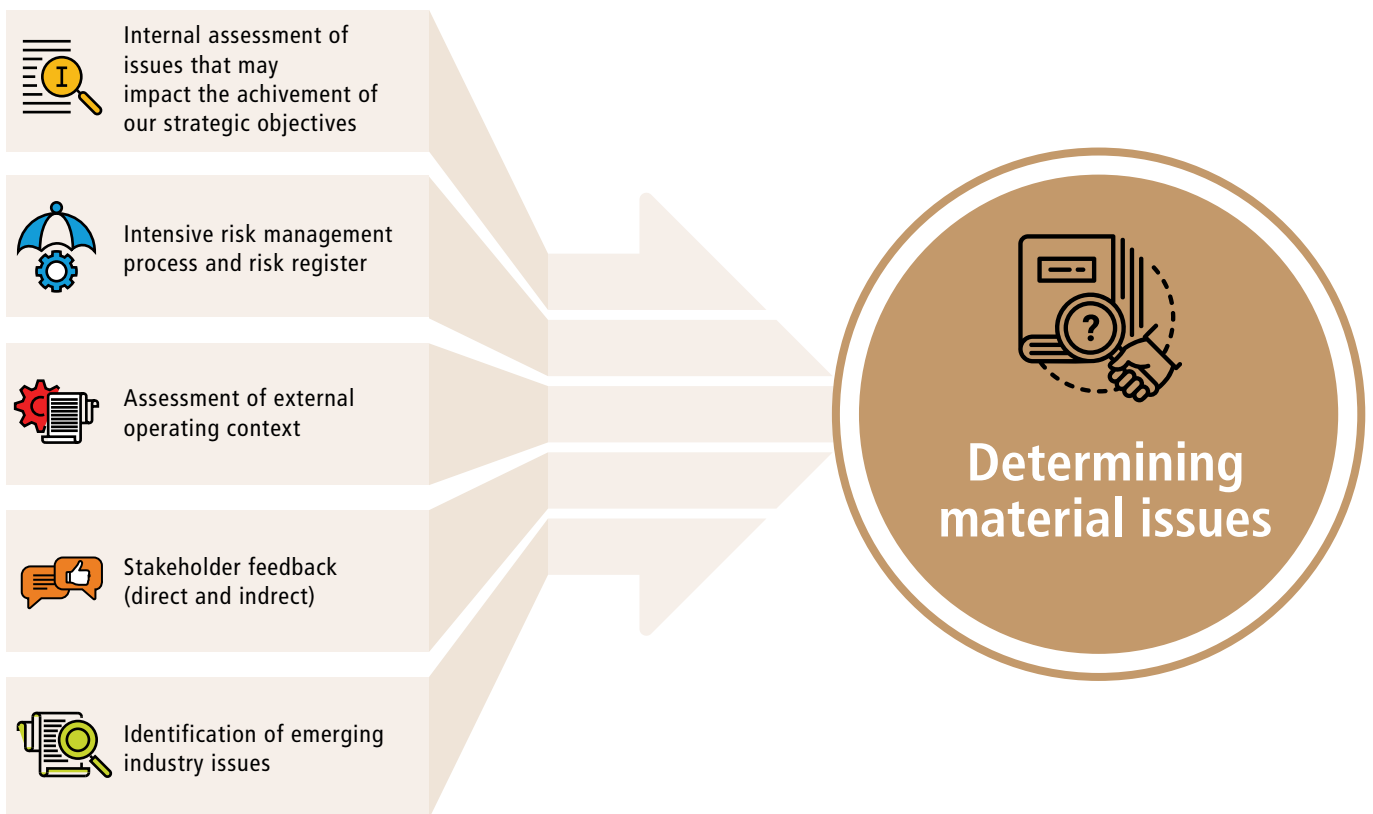
We have interrogated the SDGs to identify those most aligned with our core business, our sustainable development strategy and with our responsibilities as a responsible corporate citizen.

We have identified and prioritised six SDGs that are directly aligned with our core business strategy and its four pillars. We have also identified an additional four SDGs to which we can meaningfully contribute through our sustainable development strategy and by delivering on our socio-economic development commitments. Many of the SDGs are interconnected.

MATERIAL ISSUES

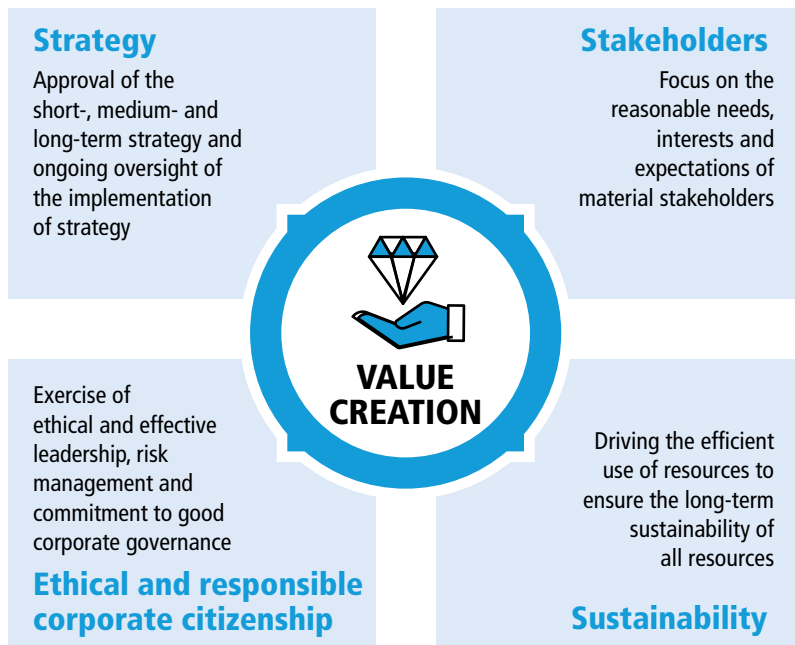
DETERMINING MATERIAL ISSUES

We undertake a diligent process of materiality assessment each year, informed by the guidance underpinning integrated and sustainability reporting. In particular, our assessment of materiality is guided by the process adopted under the Global Reporting Initiative (GRI), and informed by our risk assessment matrix.



VALUE CREATION JOURNEY

Our value creation journey is an iterative process that is guided by our strategic imperatives, taking cognisance of our stakeholders, in line with our corporate governance principles and processes, and underpinned by the goal of sustainability.



Tshepong

MATERIAL ISSUES

We have identified five key material issues for our business.

These include:

1. Ensuring employee safety and health:

- Preventing workplace fatalities and injuries
- Eliminating occupational illness
- Promoting employee health, including managing the outbreak of the Covid-19 pandemic
- Reducing airborne pollutants and inhalable hazards in the workplace

2. Maintaining our social licence to operate

- Making a positive contribution to communities around our operations
- Managing community expectations and addressing community concerns
- Supporting local and transformational procurement
- Creating and sustaining employment, and ensuring meaningful work
- Supporting enterprise and supplier development
- Ensuring constructive relationships and partnerships with stakeholders
- Planning for local economic activity and socio-economic sustainability post mine closure
- Fulfilling our commitments under Mining Charter III

3. Responsible environmental stewardship

- Resource efficiencies in respect of water and energy consumption
- Managing and reducing our greenhouse gas emissions, and guarding against the impact of climate change on our business and communities

- Managing and minimising waste and beneficiating waste in support of circular economies where practical
- Minimising our land usage and promoting conservation and biodiversity
- Planning for integrated closure, and ensuring we fulfil our remediation obligations and provisions
- Responsibly manage our cyanide consumption
- Monitoring and managing the integrity of tailings storage and disposal facilities

4. Instilling an enabling culture and empowered workforce

- Creating and sustaining jobs
- Ensuring transformation, inclusion and diversity in the workplace
- Gender equality and women in mining
- Building a skills pool, managing talent management and planning for succession
- Ensuring ongoing education and training – employees and communities

5. Navigating political and regulatory uncertainty

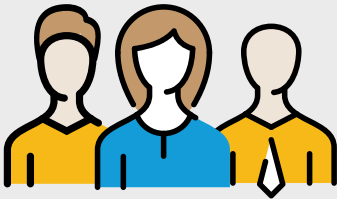
In South Africa

- Increasing cost of regulatory compliance – the carbon tax
- Uncertainty around land expropriation
- Increasing social demands

In Papua New Guinea

- Increasing regulatory uncertainty may jeopardise our existing operation and decision to proceed with future projects

STAKEHOLDER ENGAGEMENT AND MATERIAL ISSUES



ENGAGING WITH OUR STAKEHOLDERS

Stakeholder engagement is the principle mechanism through which Harmony manages and addresses a wide range of issues, particularly those relating to employees, host communities and government authorities.

Effective stakeholder engagement builds partnerships and aids understanding of stakeholders’ needs and expectations as well as of their perceptions of Harmony. This understanding enables us to identify, prioritise and better manage issues, as well as any potential risks and opportunities. The quality of the relationships with stakeholders and how well these are managed affect our ability to deliver on our strategy. Improving the quality of and building long-term, stable, mutually beneficial stakeholder relationships protects our social licence to operate, supports the success of our business strategy and creates shared value for all our stakeholders.

We believe that one of our competitive strengths is that we are able to connect with our stakeholders. Being resident in the countries in which we operate, we have an understanding of the needs of the people at and around our operations. We recognise the importance of balancing the needs of various stakeholders.

Our stakeholder engagement processes comply with relevant legislation and standards, including ISO 14001 and ISO 9000. They also take account of King IV and related recommendations on inclusive stakeholder engagement and the importance of addressing stakeholders’ legitimate concerns. The governance of and responsibility for stakeholder relations lies with the social and ethics committee, with the board having ultimate accountability.

We undertake regular engagement with stakeholders to understand their concerns, to identify and prioritise material issues and potential risks, and to determine action plans to manage such issues and risks. In engaging with stakeholders, we are guided by our values and our strategic intent to:

- Develop relationships founded on integrity, transparency and trust
- Support government by establishing collaborative partnerships with stakeholders
- Balance and align our goals and stakeholder expectations
- Establish accountability
- Improve stakeholder understanding of Harmony’s challenges, requirements and concerns
- Support value creation by maintaining awareness of broader economic and ESG issues

Harmony has a host of stakeholders with whom we engage

These include:



Investors and financiers, which include capital providers, current and future shareholders and, indirectly, investment analysts and financial media

Provide financial capital



Employees and unions

Provide human capital, including skills and experience



Communities and non-governmental organisations

Comprise that aspect of social and relationship capital which represents responsible corporate citizenship and impacts our social licence to operate



Governments and regulators

Enact legislation and related regulations with which Harmony must comply in order to earn and/or retain its regulatory licence to operate



Suppliers

Provide raw materials, inputs and services essential to conduct our business

SIGNIFICANCE



ENVIRONMENT

Mining, by its very nature, involves the extraction of natural minerals from the earth. Land is disturbed; water is consumed and its quality potentially affected; dust and other emissions are generated; wastes are discharged; and greenhouse gases are emitted.



■ Bio-energy and rehabilitation project



INTRODUCTION

Harmony fully recognises and appreciates the significant impact of our activities, not only on the natural environment, but also on our surrounding communities.

Our principal environmental impacts are:

Land disturbance	Fossil-fuel-generated energy consumption and greenhouse gas emissions	Water consumption and pollution	Waste generation	Air quality pollution
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Our approach to the environment is that of active management and stewardship, which aims to have the most minimal impact on the natural surroundings of our operations, to efficiently use and preserve our natural capital as far as possible, and to remediate or offset any environmental impacts that have been unavoidable.

We conduct our mining activities and associated processes in a manner that complies with all environmental legislation and regulation, and that is responsible and considerate of the environment and our communities.

We recognise that effective environmental management makes good business sense: mitigating our environmental impact not only reduces operating costs and our exposure to risk, it also assists our long-term objective of leaving a positive post-mining legacy.

For more details on our approach to environmental management, see our *Integrated Report*. Our environmental strategy is supported by our board-approved environmental policy, available at www.harmony.co.za/sustainability/governance#policies.

COMPLIANCE AND CERTIFICATION IN FY20

- The majority (6 of 10) gold plants were certified as compliant with the Cyanide Code
- Most (9 of 11*) operations held ISO 14001 certification
- Harmony experienced only one reportable environmental incident during the year, at the Harmony One Plant in the Free State, resulting in an overflow of waste water into the Sand River. The incident is categorised as a level 3 under Harmony's incident categorisation. The incident occurred as a result of excess pumping into our dam 13 water complex by the local municipality

*Excludes two operations that are nearing the end of their lives

Environmental incidents*

	FY20	FY19	FY18	FY17	FY16
South Africa	1	2	3	7	1
Papua New Guinea	0	2	0	1	0
Group	1	4	3	8	1

* Harmony reports its environmental incidents based on a risk matrix that evaluates the severity of the incident (on a five-level matrix) against the financial and reputational implications for the group. In FY20, this risk matrix was updated to more adequately reflect the levels of severity, incident descriptions, and financial and legal implications and to align with Harmony's enterprise risk matrix. For the purposes of public disclosure we report all incidents above level 3, that is, where mitigation costs exceed R5 million, or where there are long-term impacts and an ecosystem compromised, or where there is adverse media attention impacting on the reputation of the company, or where there is a breach of legislation and likely consequences from regulators.

LAND REHABILITATION AND MANAGEMENT

As some aspects of our operations – particularly open-pit mining, waste and tailings deposition and the construction of physical structures – entail altering the physical landscape permanently, it is our aim to rehabilitate the land concurrently (where this is possible) to effective and appropriate post-mining land use once mining has ceased.

In South Africa we are continuously seeking to reduce our environmental footprint through concurrent and final rehabilitation. Currently, our focus is on rehabilitating decommissioned shafts (linked to ingress by illegal miners), tailings dam rehabilitation, and the reclamation of waste rock dumps. To date, 49 shafts have been safely and successfully decommissioned.

In Papua New Guinea, where all our projects are either in production or at the exploration stage, most disturbed areas remain active although progressive rehabilitation is undertaken where possible.

Land rehabilitation liabilities (Rm)

	FY20	FY19	FY18	FY17	FY16
South Africa	3 038	2 884	2 919*	2 180	2 170
Papua New Guinea	1 228	1 039	1 336	1 391	826
Group	4 226	3 923	4 255	3 571	2 933

* Following acquisition of Moab Khotsong

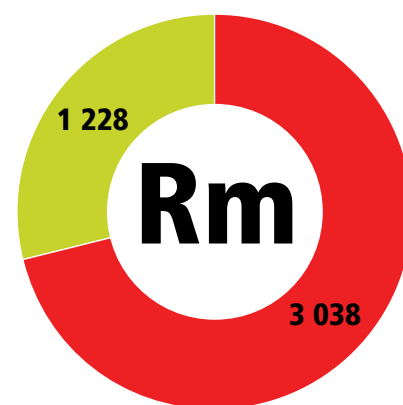
It is our aim to rehabilitate the land concurrently (where this is possible) or to effect appropriate post-mining land use once mining has ceased.

Land rehabilitation liability

Harmony's land rehabilitation liabilities increased to R4.2 billion* in FY20.

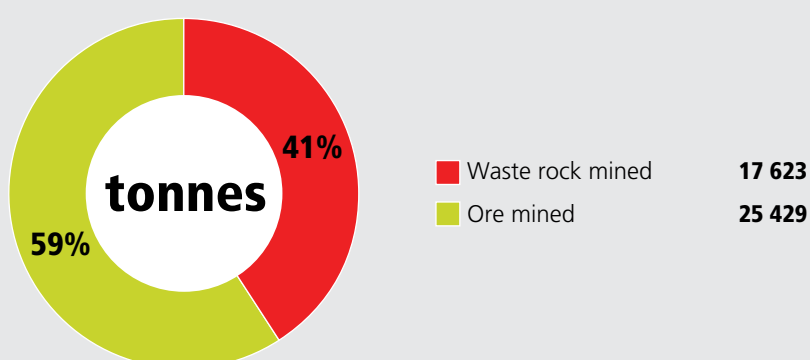
* Based on a recalculated exchange rate of R15.66/\$1.

Land rehabilitation liabilities (FY20)



■ South Africa ■ Papua New Guinea

Rock versus ore mined (000t)

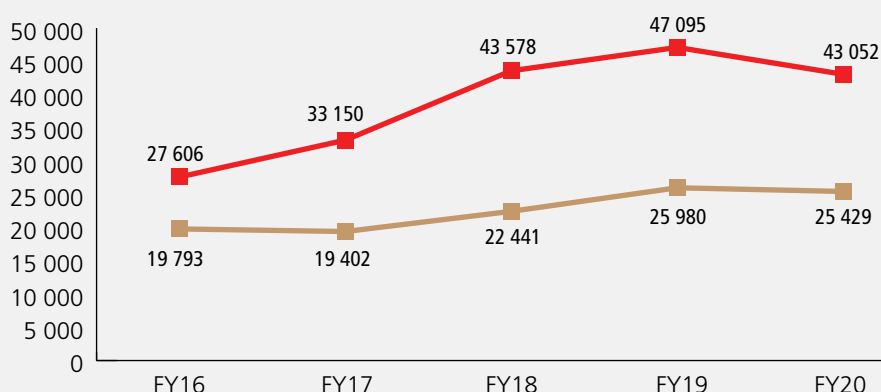


The process of mining requires enormous effort and the inputs of various natural capitals. In FY20, Harmony mined 43.1 million tonnes of rock, of which 25.4 million tonnes was ore. All this to produce 37.8 tonnes of gold.



Rock/ore mined

— Rock mined (ore and waste)
— Ore mined



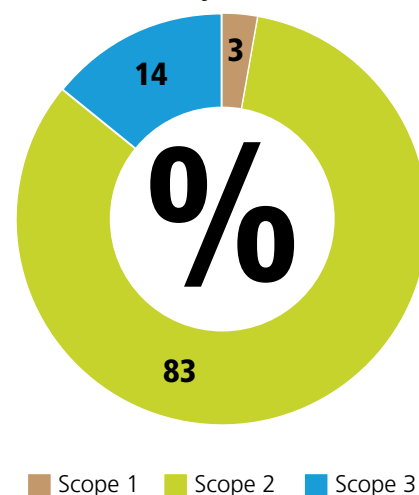
Materials used

	FY20	FY19	FY18	FY17	FY16
Rock mined: ore and waste (000t)	43 052	47 095	43 578	33 150	27 606
Ore mined (000t)	25 429	25 980	22 441	19 402	19 793

CLIMATE CHANGE, ENERGY AND EMISSIONS MANAGEMENT

Climate change is considered a material risk for Harmony and its host communities in that it is likely to have an impact on future operating costs, infrastructure requirements, and operating conditions, the health and well-being of employees and host communities. The introduction of carbon tax regulations in South Africa is set to have significant cost impact in the range of 70 to 80 million in 2023.

Emissions by source (FY20)

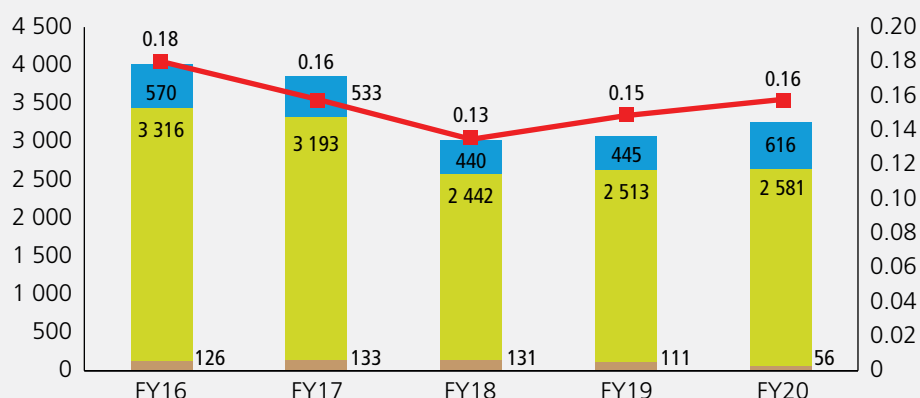


Scope 2 emissions account for the bulk (83%) of our emissions. This is aligned with energy consumption in South Africa, where energy is sourced from the power utility Eskom.

Total emissions

(CO₂e tonne vs Intensity CO₂e tonnes/tonne treated)

— Scope 1 — Scope 2
— Scope 3 — Intensity



ENVIRONMENT CONTINUED

Group carbon emissions

	FY20	FY19	FY18	FY17	FY16
SCOPE 1 EMISSIONS BREAKDOWN BY SOURCE					
CO₂e tonnes					
Diesel	122 683	129 675	128 505	108 306	53 278
Explosives	2 412	2 294	2 135	1 953	1 838
Petrol	1 108	1 143	844	784	777
Total	126 203	133 112	131 484	111 043	55 893
% breakdown					
Diesel	97.2	97.4	97.7	97.5	95.3
Explosives	1.9	1.7	1.6	1.8	3.3
Petrol	0.9	0.9	0.7	0.7	1.4
Total	100.0	100.0	100.0	100.0	100.0
TOTAL EMISSIONS - SCOPE 1, 2 AND 3					
CO₂e tonnes					
Scope 1	126 203	133 112	131 484	111 043	55 893
Scope 2	3 315 672	3 192 750*	2 442 256	2 512 565	2 580 600
Scope 3	570 235	532 704	439 551	445 033	615 456
Total	4 012 110	3 858 566	3 013 291	3 068 641	3 251 949
% breakdown					
Scope 1	3	3	4	4	2
Scope 2	83	*83	81	82	79
Scope 3	14	14	15	14	19
Total	100	100	100	100	100

Group carbon emissions intensity

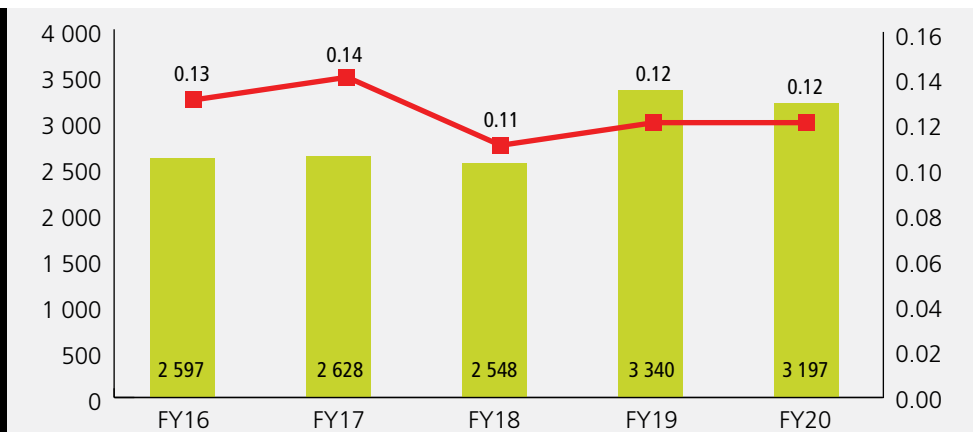
	FY20	FY19	FY18	FY17	FY16
SCOPE 1 EMISSIONS INTENSITY BY SOURCE					
CO₂e tonnes/tonne treated					
Diesel	0.005	0.005	0.0057	0.0055	0.0029
Explosives	0.0001	0.0001	0.0001	0.0001	0.0001
Petrol	0.00004	0.00004	0.00004	0.00004	0.0001
TOTAL SCOPE 1, 2 AND 3 EMISSIONS (CO₂e tonnes/ tonne treated)					
Scope 1	0.0050	0.0051	0.0061	0.0057	0.0031
Scope 2	0.1304	*0.1229	0.109	0.1295	0.1428
Scope 3	0.0224	0.0205	0.0196	0.0229	0.034
Total	0.1578	0.1485	0.1347	0.1581	0.1799

* The inclusion of Moab Khotsong for the full year – presents opportunities for operating efficiencies



Energy consumption

■ Energy consumption (1000MWh)
— Energy consumption intensity (MWh/t treated)



Energy consumption (000MWh)

	FY20	FY19	FY18	FY17	FY16
South Africa	3 051	3 209	2 458	2 538	2 542
Papua New Guinea	146	131	90 ²	90	55
Group	3 197	3 340 ¹	2 548	2 628	2 597
Energy consumption intensity (MWh/t treated)	0.12	0.12	0.11	0.14	0.13

¹ Increase as a result of acquisition of Moab Khotsong

² Full year production, although plant underwent planned shutdown

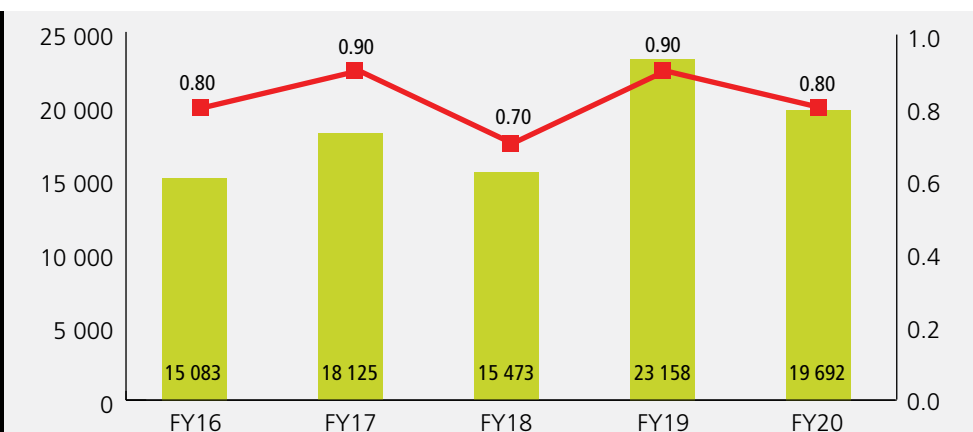
WATER USAGE

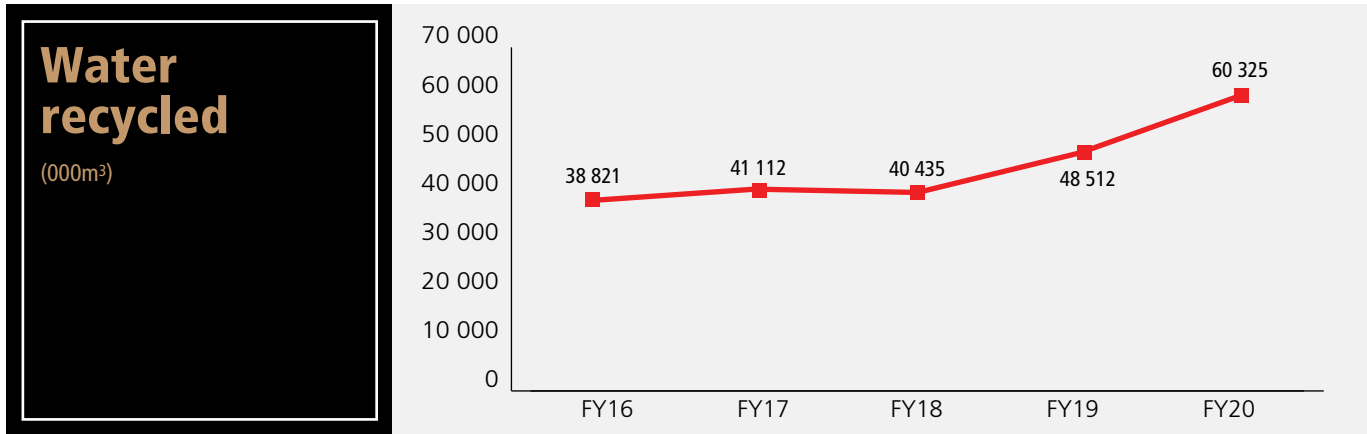
Water is a critical natural resource used in our mining and processing activities and as potable water for our employees and communities. South Africa is a severely water-stressed region, while Papua New Guinea has a high-rainfall, tropical climate. Our water management strategies are aimed at conserving this natural resource by improving our water efficiencies through re-use and recycling. Should we need to return that water to source, we aim to ensure that it is treated and discharged responsibly into the receiving environment.

Water is a critical natural resource used in our mining and processing activities.

Water usage

■ Water use for primary activities (000m³)
— Water consumption intensity (000m³/treated)





WATER USE (000m³)

	FY20	FY19	FY18	FY17	FY16
Water used for primary activities	19 692	23 158	15 473	18 125	15 083
Potable water from external sources	14 576	15 933	12 646	12 468	13 854
Non-potable water from external sources	5 115	7 225	2 827	25 638	1 229
Surface water used	2 687	4 042	2 034	4 863	716
Groundwater used	2 428	3 183	793	775	513
Water recycled in process	54 959	48 512	40 435	41 112	38 821
Water consumption intensity (000m³/t treated)	0.77	0.89	0.69	0.93	0.8

¹ Increase as a result of acquisition of Moab Khotsong

² Increase is non-potable water consumption due to impact of drought in Free State

TAILINGS AND WASTE MANAGEMENT

Tailings management

We take an active risk-based approach to the management of our tailings storage facilities to:

- keep these facilities safe and stable by understanding the mechanism of tailings dam failure – contributors to which include a range of man-made and environmental factors
- implement any and all measures to avoid failure.

As part of our risk-based approach we have undertaken a thorough assessment of the potential mechanisms of tailings storage facilities failures (see diagram on page 17), and have ensured that we have addressed potential risks.

The status of each facility – be it operational, re-mined or dormant – determines the management strategy that is applied. Regular inspections are conducted – in the case of those tailings storage facilities that are operational and being re-mined, such inspections are undertaken daily to facilitate proactive management. Plant management meet on a monthly basis to review the tailings facilities. In addition to external audits, Harmony’s chief operating officer, certain executive managers and senior engineering staff meet on a quarterly basis to assess compliance and management. External specialists are invited to these quarterly meetings as and when required. The engineering reports are available on our corporate website at www.harmony.co.za/responsibility/environment/tailings-management.

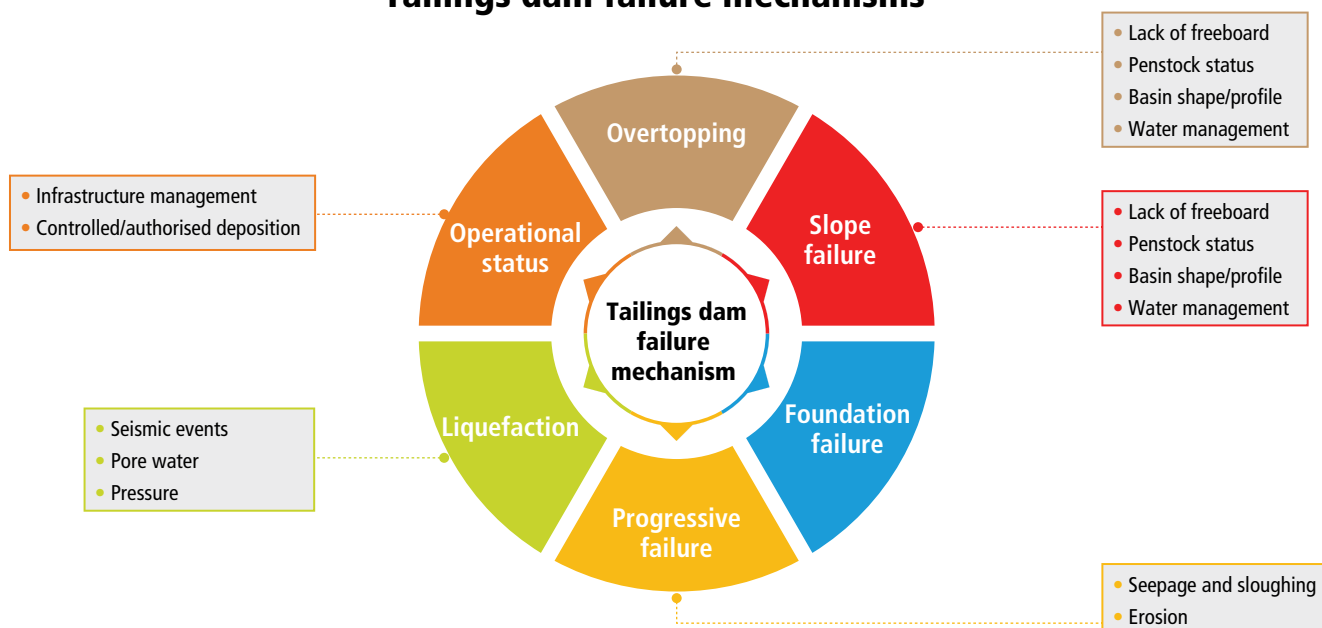
We have 45 tailings storage facilities under management in South Africa, and one in Papua New Guinea.

All our tailings storage facilities are in good standing and have been verified by:

- International Mining Industry Underwriters (IMI) annual audit of all operating tailings storage facilities
- International Cyanide Management Institute audit every 18 months
- Mine residue deposit updates provided every two years to the Department of Mineral Resources and Energy (DMRE).



Tailings dam failure mechanisms



GLOBAL STANDARD ON TAILINGS MANAGEMENT

Harmony notes the publication in 2019 of the Global Industry Standard on Tailings Management. Underpinned by an integrated approach to tailings management, the Standard aims to prevent catastrophic failure and enhance the safety of mine tailings facilities across the globe. It embodies a step-change in terms of transparency, accountability and safeguarding the rights of project-affected people.

Harmony has adopted and implemented many of the principles and measures advocated by the Standard. We are considering the full implications of the Standard, and will report against these in FY21.

Nature of tailings storage facilities	Tailings management strategy			
	Operation	Inspection	Monitoring	Periodic review
Operating (14 locations)	✓	✓	✓	✓
Re-mined (3 locations)	✓	✓		
Dormant (28 locations)		✓	✓	✓

MANAGEMENT OF TAILINGS STORAGE FACILITIES IN PAPUA NEW GUINEA

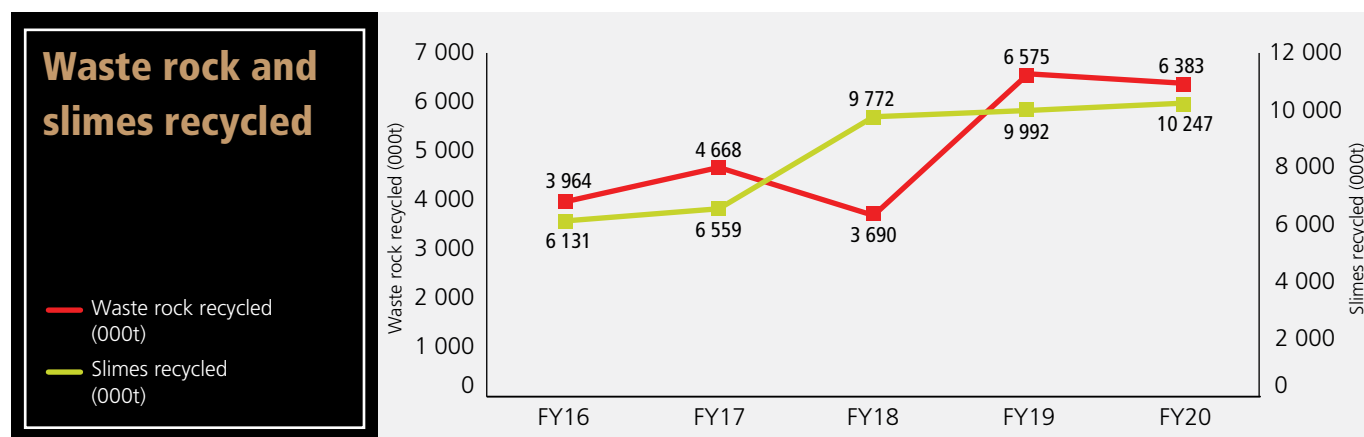
Work continued in FY20 on measures relating to tailings dam management and compliance with the conditions of approval for the Hidden Valley Mine facility. This has included the installation of an early-warning system to notify villages downstream of the facility in the unlikely event of a breach of its embankment. Our early warning system also makes use of text messages, which are sent to all potentially-affected community members.

An extensive community education campaign was undertaken to inform the villages of this early-warning system and to explain what should be done in the event of incident and the sounding of the siren. A site-visit with community leaders and regulatory agencies was conducted to explain the design, operation and management of the structure.



Waste management

Waste management is a priority focus area from the point of initial generation and encompasses handling, storage and transport as well as recycling, treatment and/or disposal. As a matter of course, we endeavour to recycle as much of the waste rock and slimes we produce as possible.



Materials used

	FY20	FY19	FY18	FY17	FY16
Rock mined: ore and waste (000t)	43 052	47 095	43 578	33 150	27 606
Ore mined (000t)	25 429	25 980	22 441	19 402	19 793
Waste rock recycled (000t)	6 383	6 575	3 690	4 668	3 964
Slimes recycled (000t)	10 247	9 992	9 772	6 559	6 131
Liquefied petroleum gas (t)	1	1.3	1	0.47	0.54
Grease (t)	424	506	426	121	384
Cyanide (000t)	23	23,2	23,3	21	18
Petrol and diesel (000l)	46 137	48 742	48 461	40 811	20 298
Lubricating and hydraulic oil (000l)	2 456	3 163	2 744	2768	2 291



Waste generated

	FY20	FY19	FY18	FY17	FY16
Oils and grease					
Recycled oil – repurposing hydrocarbons to landfill (000 litres)	813	978	na	na	na
Hazardous waste					
Tailings (Mt)	24	24	21	20	18
Hazardous waste to landfill (tonnes)	250	399	344	275	na
Other waste (recycled)					
Timber (tonnes)	1 867	2 377	1 085	1 504	na
Steel (tonnes)	5 863	7 765	5 699	6 944	6 229
Plastic (tonnes)	509	479	314	459	na

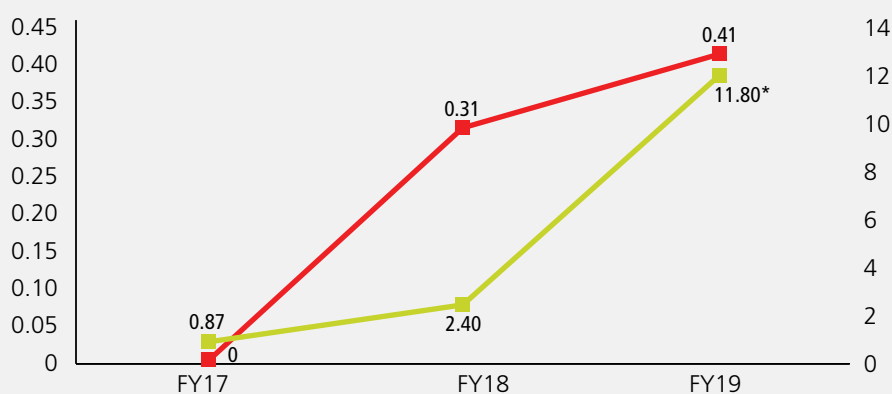
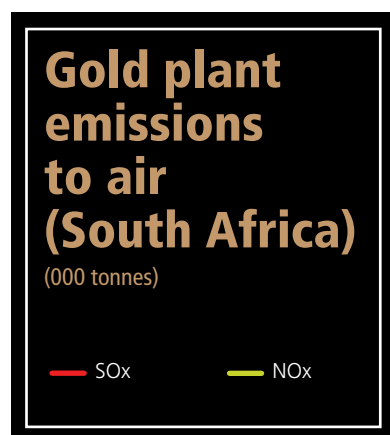
EMISSIONS TO AIR

The primary emissions are from our gold plants, namely sulphur oxides (SO_x), nitrous oxides (NO_x) and particulate matter. These elements are measured in accordance with our Air Emissions Licences issued to relevant gold plants. Our gold plants were well below regulated thresholds for sulphur oxides and nitrous oxides and continue to remain compliant. Exceedances for particulate matter have been recorded at two gold plants. Action plans were prepared to reduce particulate matter which has successfully been implemented at one of our operations.

Dust fall-out from operations (including tailings storage facilities) is monitored and managed. The American Standard for Testing and Materials method (D1739) has been applied, in accordance with the National Environmental Management Act - National Dust Control Regulations, as the standard test method for collecting and analysis

of dust fallout. This standard has been applied across the group. Harmony has largely been compliant with some exceedances recorded at Doornkop and at our Free State Operations. Relevant tailings facilities contributing to dust fallout have been identified. Mitigation been focussed on areas where sequential exceedances are prevalent and will be rolled out over a period of 5 years. The mitigation measures for tailings include the installation of netting barriers, dust suppressants and revegetation.

Primary emissions are from our gold plants.



* Following acquisition of Moab Khotsoeng



SOCIAL

Our employees are at the heart of our business, and their safety, health and well-being is a fundamental priority for the business. Our duty of care extends, we believe, to the communities, where many of our employees live and which are impacted by our operations.



Tshepong



INTRODUCTION

We believe that by contributing to health and well-being, community development and the creation of economic opportunity, we enable a socio-economic ecosystem in which our business and all stakeholders thrive.

Our principal imperatives from a social perspective are:

Safety and health, including the management of Covid-19

Job creation, training and development

Transformation

Human rights

Socio-economic/local economic development

Duty of care

We conduct our mining activities and associated processes in line with legislation and regulations applicable in South Africa and Papua New Guinea. More than this, however, it is our fundamental belief that this care extends to the provision of safe and healthy workplaces, fair remuneration that provides for decent accommodation, access to healthcare and compensation, and benefits post retirement. Allied to this is our ongoing and proactive communication with employees.

SAFETY AND HEALTH

Employee safety and health is an area that poses some of the highest risks to our business. This is a moral imperative that underlies all that we do as a business, and which directly affects our ability to deliver on our strategic objectives.

The tenets of our safety and health policy, which forms part of our broader sustainable development framework, focus on:

- Ensuring that leadership at all levels leads by example and creates an enabling environment for driving continuous improvement in safety performance
- Ensuring that high-risk safety and health exposures are managed through focused strategies with risk management as the bedrock
- Promoting the health of our employees by proactively supporting their physical, psychological and emotional well-being
- Providing an integrated, proactive healthcare service by making primary, occupational and wellness facilities easily accessible to employees at work
- Ensuring that Harmony manages community health exposures and promotes the well-being of our host communities

SAFETY PERFORMANCE

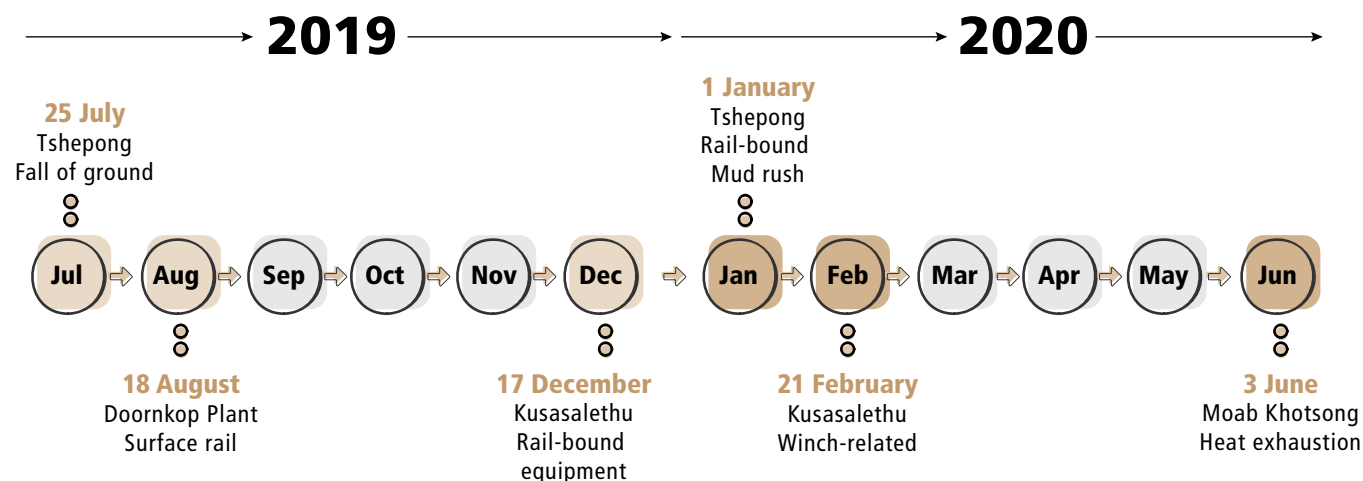


Regrettably, we report six mining-related fatalities during the year (FY19:11), all at our South African operations. The Papua New Guinea operation maintained its fatality-free performance for the fourth consecutive year. Three fatalities have been reported to date in FY21.

In the event of a loss of life, Harmony provides extensive support and benefits to the families and dependants. For a detailed of discussion on safety and health, see our *Integrated Report*.

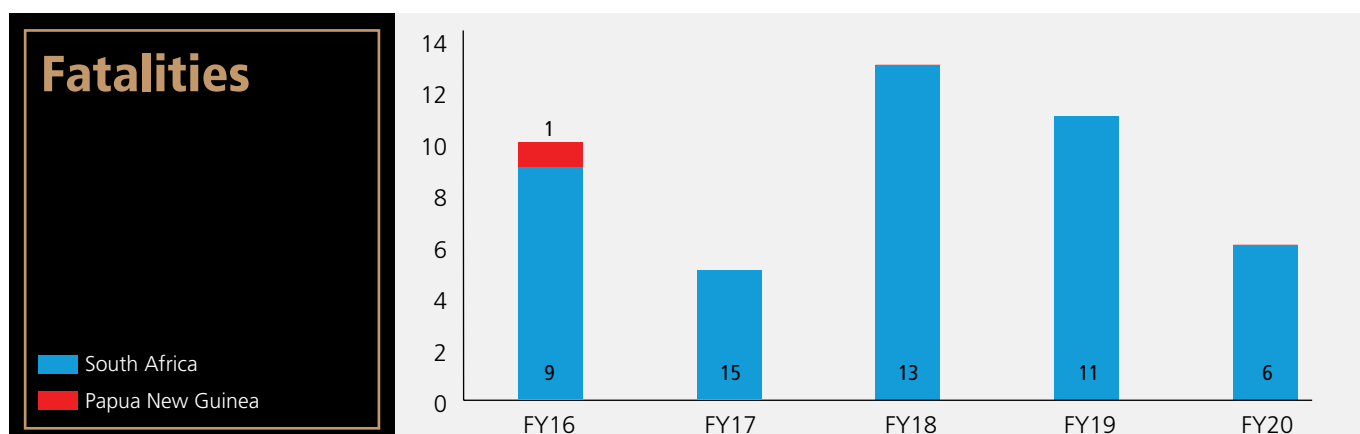
Analysis of fatal accidents

We place intensive focus on understanding the causes of fatal accidents, and learning from the events and circumstances surrounding those events.



Safety performance

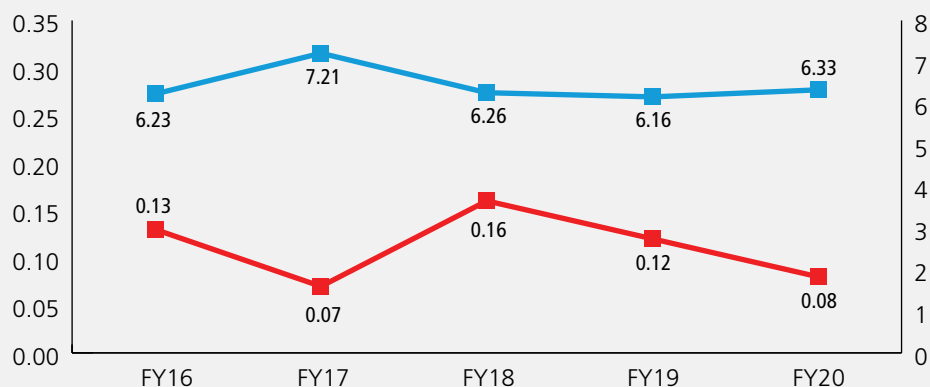
	FY20	FY19	FY18	FY17	FY16
NUMBER OF FATALITIES					
Group	6	11	13	5	10
South Africa	6	11	13	5	9
Papua New Guinea	0	0	0	0	1
FATAL INJURY FREQUENCY RATE (per million hours worked)					
Group	0.08	0.12	0.16	0.07	0.13
LOST-TIME INJURY FREQUENCY RATE (per million hours worked)					
Group	6.33	6.16	6.26	7.21	6.23
South Africa	6.69	6.48	6.67	7.61	6.50
Papua New Guinea	0.77	0.35	0	0.41	1.39



Injury frequency rates

(per million hours worked)

- Fatal injury frequency rate
- Lost-time injury frequency rate



Duty of care

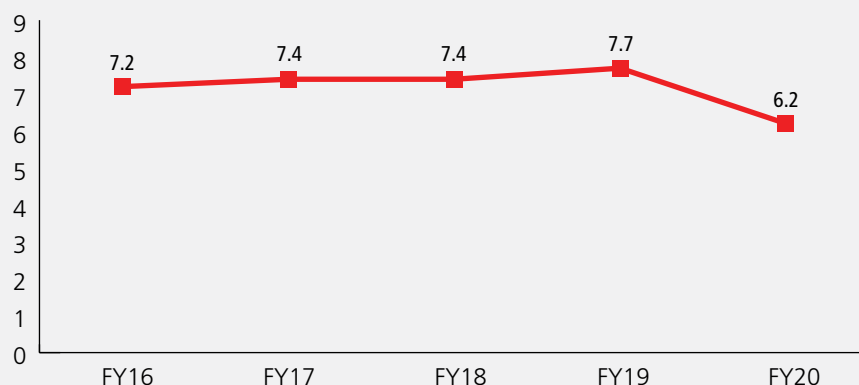
Occupational lung diseases (including TB) and noise-induced hearing loss are the primary occupational illnesses at our South African operations. In addition, we pay great attention to the identification and treatment of HIV in South Africa, as well as the management of chronic illnesses (hypertension, diabetes). In Papua New Guinea we have a proactive approach to dealing with malaria.

Health – South Africa

	FY20	FY19	FY18	FY17	FY16
ABSENTEEISM					
Health-related absenteeism (%)	6.2	7.7	7.4	7.4	7.2

Health-related absenteeism South Africa

(%)



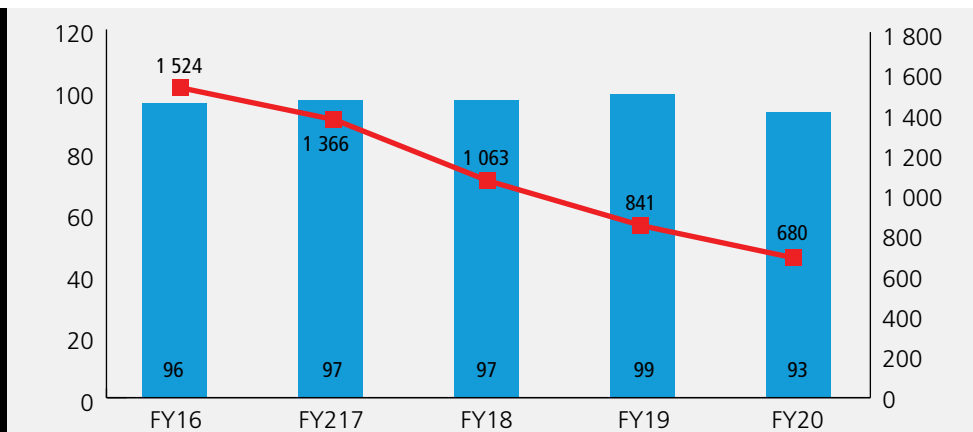
Health – South Africa

	FY20	FY19	FY18	FY17	FY16
TUBERCULOSIS					
TB screening of employees and contractors	34 815	37 666	29 955	30 113	29 077
% of workforce	93	99	97	97	96
TB incidence rate (per 100 000 employees tested)	680	841	1 063	1 366	1 524



TB screening and incidence (South Africa)

■ Percentage of workforce screened (%)
— TB incidence rate (per 100 000 employees tested)

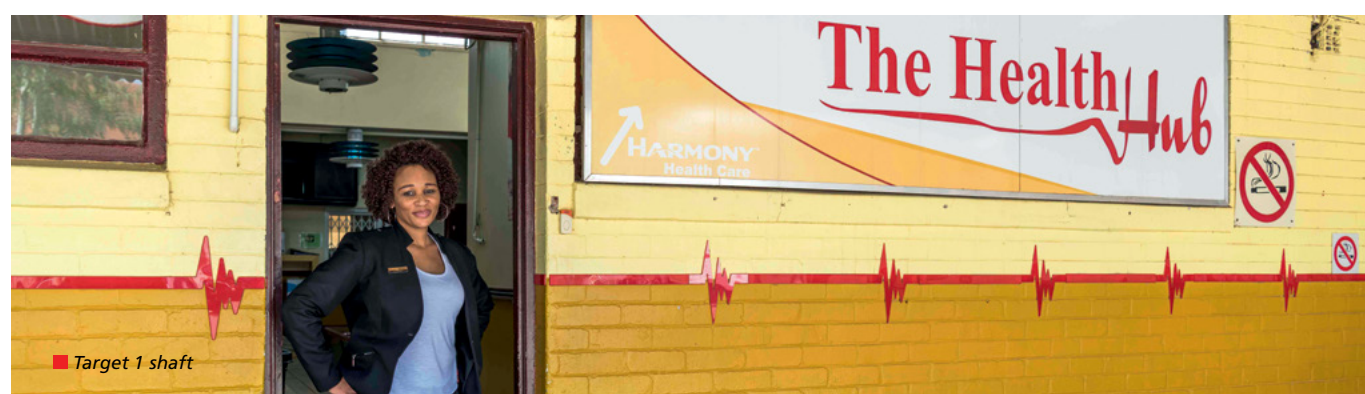
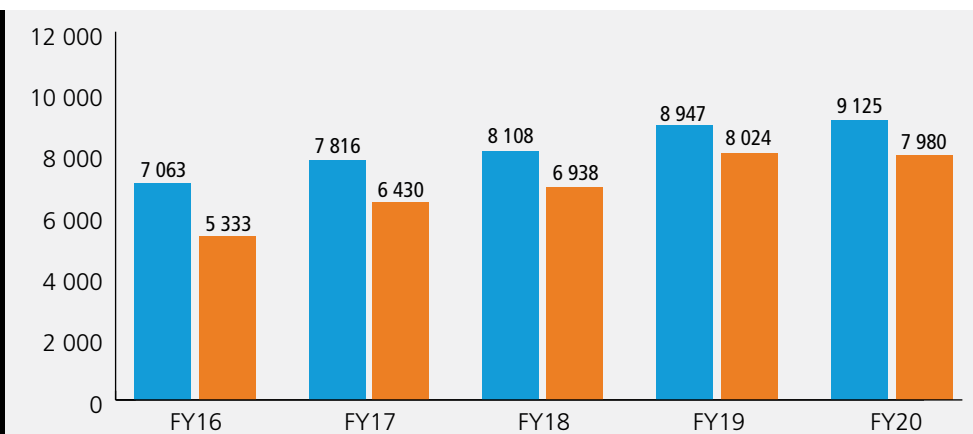


Health – South Africa

	FY20	FY19	FY18	FY17	FY16
HIV/AIDS					
Employees identified as HIV-positive	9 125	8 947	8 108	7 816	7 063
Employees receiving antiretroviral therapy	7 980	8 024	6 938	6 430	5 333
Employees knowing their HIV status (including contractors) (%)	83	82	82	78	73
Employees receiving antiretroviral therapy (medically uninsured, excluding contractors) (%)	85	88	80	78	74

HIV/AIDS South Africa

■ HIV-positive employees
■ Employees receiving ART

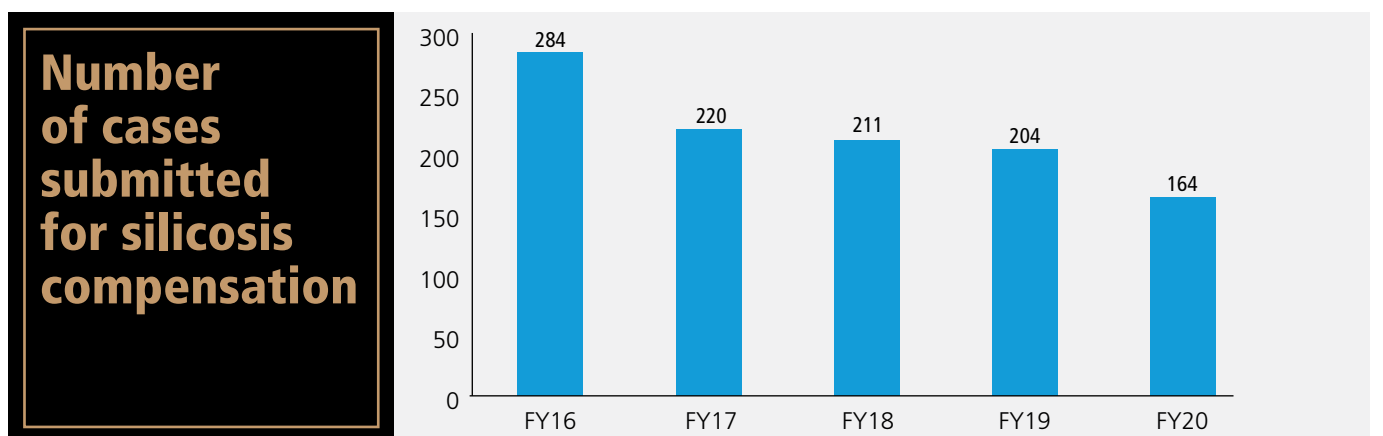
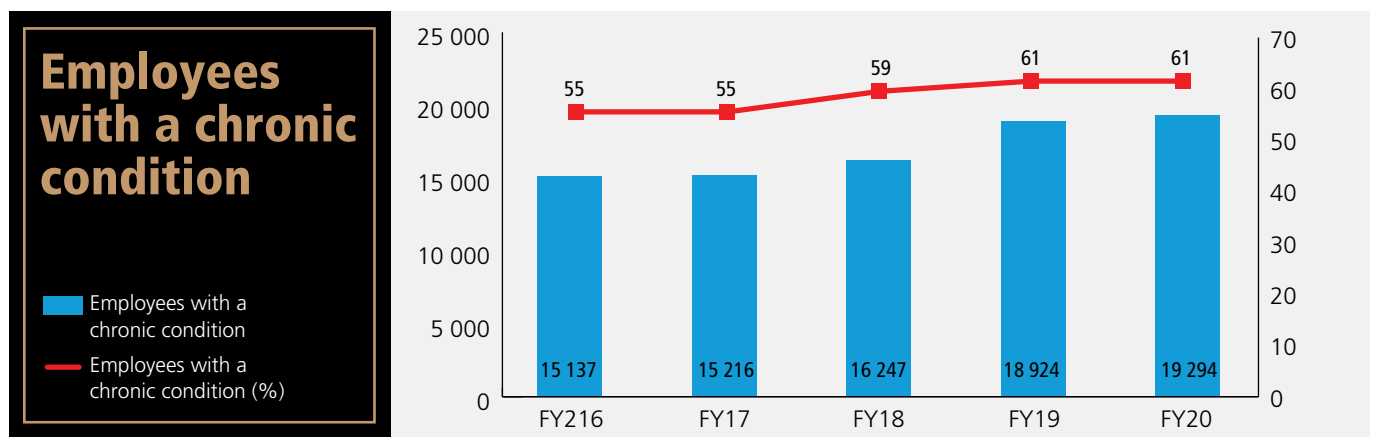


Health – South Africa

	FY20	FY19	FY18	FY17	FY16
CHRONIC DISEASES					
Employees with a chronic condition*	19 294	18 924	16 247	15 216	15 137
Proportion of South African workforce (%)	61	61	59	55	55
SILICOSIS					
Number of cases submitted	164	204	211	220	284
Number of cases certified	67	58	179	108	64

* Employees with more than one chronic disease are counted in each condition

** From 2016 onwards, includes all HIV-positive people not just those on treatment



Health – Papua New Guinea

	FY20	FY19	FY18	FY17	FY16
Number of health examinations conducted	20 452	17 601	15 198	13 133	13 131
Number of employees treated for respiratory ailments	1 905	2 191	2 581	2 427	2 438



UPDATE ON SILICOSIS CLASS ACTION SETTLEMENT

On 26 July 2019, the Johannesburg High Court approved the R5.2 billion settlement of the silicosis and tuberculosis class action suit between the Occupational Lung Disease Working Group – representing Harmony, Gold Fields, African Rainbow Minerals, Anglo American SA, AngloGold Ashanti and Sibanye-Stillwater – and lawyers representing affected mineworkers.

Following the conclusion of the Court-ordered three month opt-out process the settlement agreement became effective on 10 December 2019.

The settlement provides meaningful compensation to eligible claimants across southern Africa who carried out risk work between 12 March 1965 and 10 December 2019 at any of the 82 gold mines listed in the settlement agreement, and who have contracted silicosis or work-related tuberculosis, or to their dependants where the gold mineworker has passed away. A condition of the settlement was the establishment of a trust to carry out the terms of the settlement agreement and to manage the compensation process.

Harmony has made provision for the contribution of R892 million towards the Court-approved gold mineworkers' class action silicosis settlement.

The Tshiamiso Trust (Setswana word meaning "to make good" or "to correct"), has been established to track and trace the settlement agreement class members and administer claims and payments to eligible claimants or their beneficiaries.

The Covid-19 pandemic has had an impact on the requirements of the Tshiamiso Trust Deed by restricting the Tshiamiso Trust's capacity to conduct medical benefit examinations and is also not able to carry out lung function tests at this time to minimise the spread of Covid-19. Under these circumstances, the Trust has been limited to considering processing claims of eligible claimants who have existing silicosis and TB claims with the Medical Bureau of Occupational Diseases. For details on progress on the Trust and settlement payouts, see: www.tshiamisotrust.com



■ Kusasalethu



HARMONY'S RESPONSE TO COVID-19:

For more detail on Harmony's response to Covid-19, see: www.harmony.co.za/responsibility/covid-19

SOUTH AFRICA

Harmony's response to Covid-19 was swift, and aligned with the Minerals Council South Africa's response to the pandemic. By mid-March, Harmony was implementing a risk-based Covid-19 management strategy. The health protocols underpinning the strategy are informed by and aligned with the guidance of the World Health Organization, the National Institute of Communicable Diseases, the South African Department of Health and the Minerals Council South Africa, and in compliance with DMRE requirements. They were also informed by extensive and ongoing discussion with our trade union stakeholders.

The preventative measures we put in place included:

- Compulsory use of preventative personal protection equipment in the workplace, increased hand washing and social distancing
- Intensive screening and, where necessary, testing
- Extensive communication and awareness campaigns (for both employees and communities)
- Identification, care and counselling of the vulnerable
- Establishment of three quarantine sites (accommodating 450 people) and four accredited isolation sites (260 people).
- Thermal screening of all who enter our operations, and of employees at all key points
- Reduction in crew numbers and reduced cage and road transport capacity
- Intensive on-mine sanitisation.

In South Africa, the national lockdown resulted in the effective suspension of our underground mining activities for five weeks.

By 5 October 2020, only 61 active cases had been reported. The majority of cases were mild and some were completely asymptomatic. Relatively few cases required a high level of care and hospitalisation. Tragically, by 5 October, 31 employees had succumbed to Covid-19. Minerals Council research across the industry revealed that 85% of Covid-19 mortalities in the sector had one or more co-morbidity.

Harmony continues to proactively protect vulnerable employees. By the end of September, all vulnerable employees had returned to work after lockdown.

PAPUA NEW GUINEA

The first case of Covid-19 was officially recorded in Papua New Guinea on 20 March 2020. In response, the Government declared a state of emergency, which took effect four days later. While the state of emergency was only supposed to be in place for 14 days, it was extended on a rolling basis until it was finally allowed to lapse on 16 June. A State Emergency Controller was subsequently appointed to protect the interests of Papua New Guinea in relation to the global pandemic and to ensure international restrictions are in place.

While Hidden Valley was placed under a self-imposed lockdown during the rolling Covid-19 state of emergency, all non-essential staff were removed from site and certain activities were curtailed. The delivery of essential supplies to the mine continued, with strict isolation control measures in place.

The operation was guided by its Covid-19 management plan.

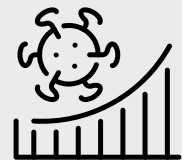
Controls in place included:

- Preventative personal hygiene measures – regular hand washing and social distancing – accompanied by focused employee communication campaigns
- Compulsory use of preventative personal protection equipment – face masks, gloves – in the workplace
- Longer, fatigue-friendly work rosters to reduce the possibility of on-site exposure
- Regular temperature checks
- Sanitisation and cleaning of high-risk areas including transport
- Restricted overseas travel

All Hidden Valley employees and contractors are required to present themselves for screening at designated screening/testing sites before entering the mine. These entry point facilities have been equipped with rapid Covid-19 tests as well as full clinical polymerase chain reaction (PCR) tests.

To date, only one case of Covid-19 has been reported and this person has fully recovered.

South Africa: Covid-19 statistics as at 5 October 2020



Total number of:	
Employees tested	4 136
Employees testing positive	1 688
Employees recovered	1 535
Employees screened	34 949
Deaths	31 ¹

¹ Includes contractors



EMPLOYEES

The success of our business is ultimately determined by the productivity of our workforce – our human capital. It is only through a motivated and productive workforce that we are able to deliver on our business strategy and facilitate the creation of sustained and shared value for all our stakeholders. For more detail on our approach to protecting, managing and developing our employees, see the *Integrated Report*.



Our approach to employee relations is premised on the firm belief that each employee is critical to our business strategy and should be engaged with on a basis of mutual respect and trust.



Moreover, we believe that each employee should be provided with the opportunity to develop to their full potential, so they are both motivated and productive in their work tasks. We provide training and development, promote fair labour practices for employees and contractors, and encourage local employment opportunities. Employee safety and well-being is also central to our approach to ensuring positive employee relations.

Our approach to employee relations is geared towards:



Maintaining and upholding the principle of fairness and following our equity employment policy and practice through personalised development and training to empower individuals to contribute to the company and society in general



Recognising and capitalising on the rich diversity of our people while continuously ensuring that local communities have preferential recruitment opportunities



Aiming to return benefits through our employee shareholder schemes in South Africa



Where Harmony is expanding its geographic footprint, ensuring that we respect the customs, traditions and needs of the local people



Ensuring freedom of association for all employees and recognising the value of organised labour to business improvement

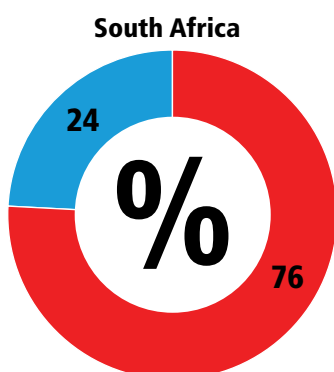
Workforce profile

	FY20	FY19	FY18	FY17	FY16
Total number of employees and contractors	39 714	39 556	40 686	33 201	30 547
South Africa: Employees ²	31 502	31 201	32 520	26 478	25 861
Contractors	5 841	6 159	5 951	4 512	4 580
Papua New Guinea: Employees ¹	1 589	1 481	1 397	1 300	76
Contractors	782	715	818	911	30

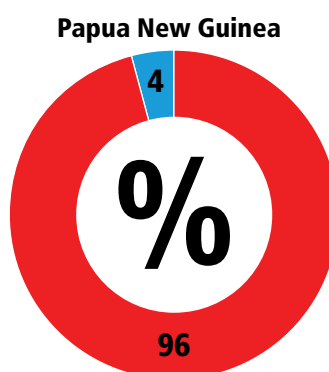
¹ Excludes employees of the Wafi-Golpu joint venture. FY16 excludes employees from the Morobe Mining Joint Venture, which are included from FY17 following Harmony acquiring full ownership of Hidden Valley

² FY18 includes employees from Moab Khotsong

LOCALISATION OF EMPLOYEES

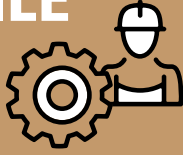


■ employees drawn from local communities
■ other employees



■ employees drawn from local communities
■ other employees

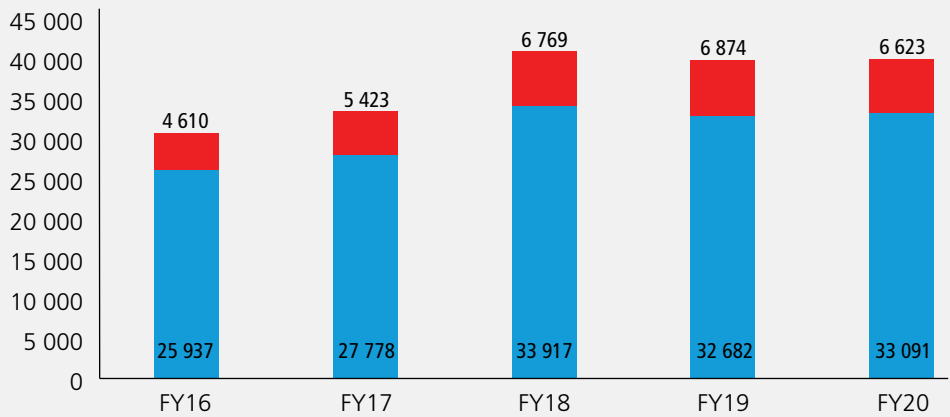
EMPLOYEE PROFILE



Total number of employees (permanent employees and contractors) was **39 714** at year-end, rising by 9 191 people (employees, contractors and all surface and service staff).

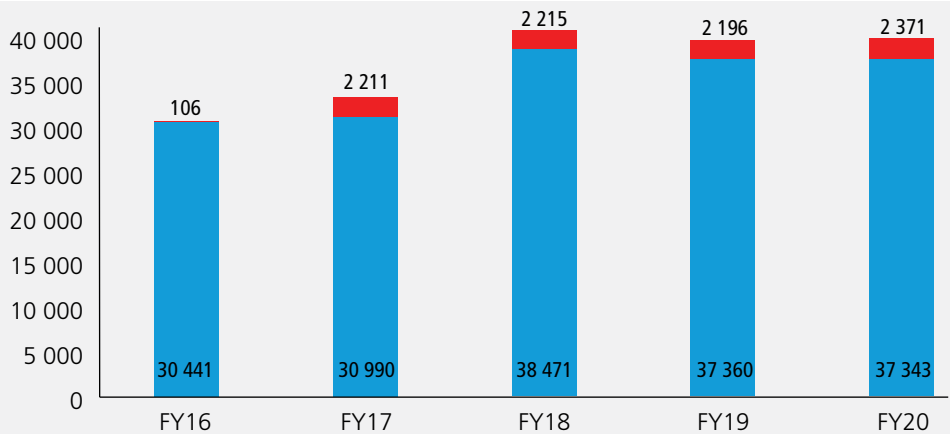
Employees versus contractors

■ Total employees
■ Total contractors



Employees by region (employees and contractors)

■ South Africa
■ Papua New Guinea



IMPACT OF COVID-19 PANDEMIC ON WAGES AND SALARIES – SOUTH AFRICA

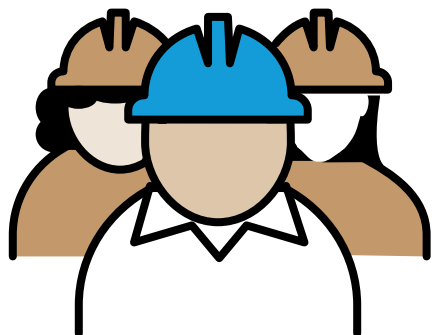
The Covid-19 pandemic has had an unprecedented impact on our society and economy, both in South Africa and in Papua New Guinea. Harmony faced the very difficult task of sustaining itself in a severely disrupted business environment, including the compulsory suspension of business operations, either partial or absolute, across all operations. In the face of these challenges, Harmony was resolute in maintaining transparency with employees, particularly in terms of wage remuneration.

In South Africa, different pay arrangements were negotiated and agreed to by organised labour for the period between April and end June 2020. These arrangements included: paying employees at home on special leave their full salaries for April on the basis that those who had not been able to work as a result of the

lockdown would work back 12 days and use six days of their annual leave, paying between 30% and 50% of basic pay to employees who were not required to work owing to the lockdown restrictions in place during May and June and that the 2020 Christmas break discussions be re-opened with a view to substantially shortening this break to the duration of the Christmas long weekend.

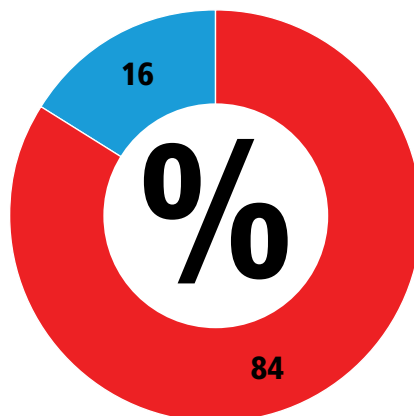
The payment of the living out allowance, pension/provident fund was topped up to 100% and the payment of employees' medical aid premiums remained in place for the May and June salary months.

In addition to this, Harmony also made an application on behalf of all employees to the Unemployment Insurance Fund (UIF) for the Temporary Employees/Employers Relief Scheme (TERS) for the months of May and June. To date, the payment for May has been received.



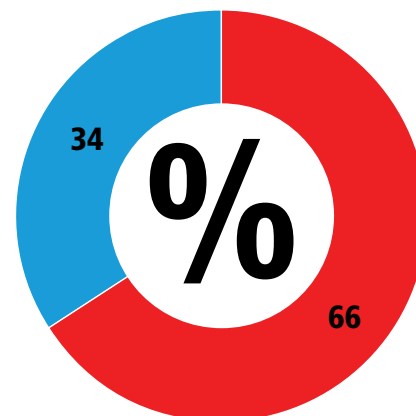
Employees versus contractors

Employees versus contractors – South Africa (%)

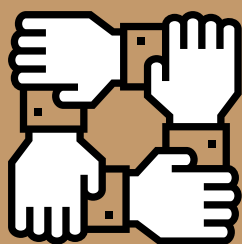


■ Employees ■ Contractors

Employees versus contractors – Papua New Guinea (%)



■ Employees ■ Contractors



UNION REPRESENTATION

At our South African operations, Harmony recognises five labour unions:

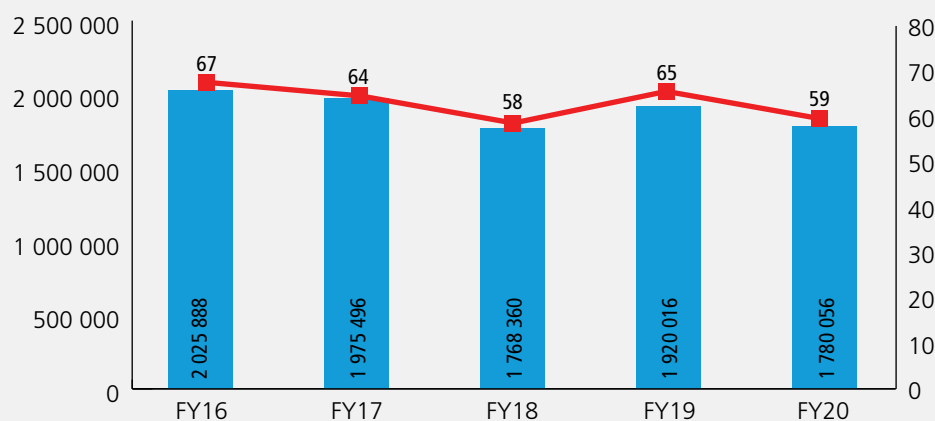
- National Union of Mineworkers (NUM) (58%)
- Associated Construction and Mineworkers Union (AMCU) (23%)
- UASA (5%)
- Solidarity (2%)
- National Union of Metalworkers of South Africa (NUMSA) (5%)

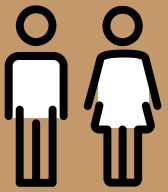
Around 6% of employees do not belong to a union.

There were no strikes in FY20.

Training hours – South Africa

■ Total training hours
— Average training hours per employee





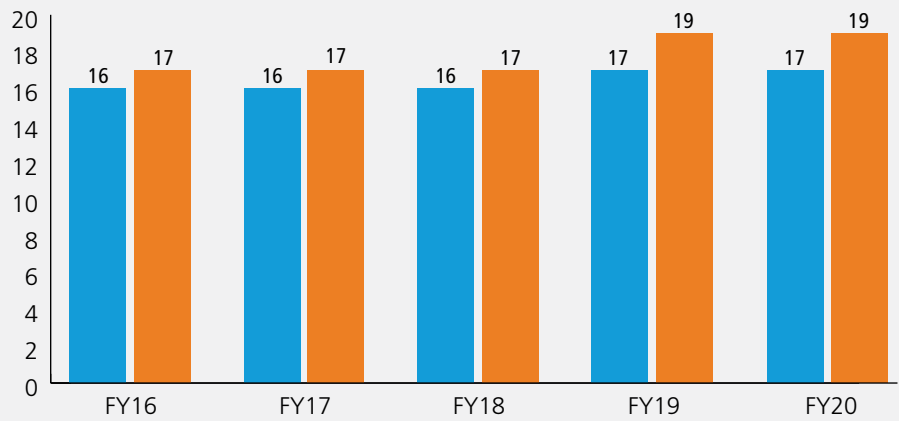
PROMOTING GENDER EQUITY

Promoting diversity and inclusion is a critical component of our human resources strategy.

Harmony’s efforts in supporting and driving gender equality have been internationally recognised with our continued inclusion in the 2020 Bloomberg Gender-Equality Index (GEI), which tracks the financial performance of public companies committed to supporting gender equality through policy development, representation and transparency.

Women in workforce (%)

■ % of workforce who are women
 ■ % of women in management



South Africa: representation of HDPs* in management (%)

Employment equity (South Africa only)
 * Historically disadvantaged persons





Employees

	FY20	FY19	FY18	FY17	FY16
EMPLOYEE COMPLEMENT					
Harmony – total	39 714	39 773	40 686	33 201	30 547
Permanent	33 091	32 876	33 917	27 778	25 937
Contractors	6 623	6 897	6 769	5 423	4 610
South Africa – total	37 343	37 360	38 471	30 990	30 441
Permanent	31 502	31 201	32 520	26 478	25 861
Contractors	5 841	6 159	5 951	4 512	4 580
Papua New Guinea – total	2 182	2 413	2 215	2 211	106
Permanent	1 434	1 675	1 397	1 300	76
Contractors	748	738	818	911	30
Australia – total	57	0	0	0	0
Permanent	54	0	0	0	0
Contractors	3	0	0	0	0
TRAINING AND DEVELOPMENT					
Number of people trained	31 533				
South Africa	29 963	29 345	30 395	31 019	30 373
Papua New Guinea	1 570				
Hours of training – total					
South Africa	1 780 056	1 920 016	1 768 360	1 975 496	2 025 888
Average training hours per employee	59	65	58	64	67
Expenditure on training (Rm)					
South Africa	458	484	418	409	364
Papua New Guinea	24	–	–	–	–
EMPLOYEES DRAWN FROM LOCAL COMMUNITIES (%)					
South Africa	76	79	75	76	75
Papua New Guinea	96	96	96	95	95
SENIOR MANAGEMENT DRAWN FROM LOCAL COMMUNITIES (%)					
South Africa	98	100	97	96	97
Papua New Guinea	0	0	0	0	0

Employees continued

	FY20	FY19	FY18	FY17	FY16
GENDER DIVERSITY					
South Africa:					
% of workforce who are women	17	17	16	16	16
% of women in management	19	19	17	17	17
Papua New Guinea:					
% of workforce who are women	14				
% of women in management	5				
EMPLOYEES COVERED BY COLLECTIVE BARGAINING (%)					
South Africa	30 829	30514	31828	25882	25294
Papua New Guinea	0	0	0	0	0
SOUTH AFRICA ONLY					
Employment equity					
Representation by historically disadvantaged persons/South Africans in management (%)	64	62	60	61	60



HUMAN RIGHTS

Respect for human rights is entrenched in and underpins our values.

While we uphold the United Nations Global Compact principles on human rights and labour, human rights are specifically catered for in our human resource policies, charters and contracts of engagement. The human resources function and community engagement managers closely monitor our human rights performance at an operational level.





COMMUNITIES

Creating shared value for the communities impacted by our mining operations is an integral part of our business strategy. This is something that we seek to ensure both during operations, but also beyond the life of our mines to not only empower our communities, but also mitigate the impacts of our activities and ensure a positive legacy. For more information on the way in which we engage with and support our communities, see the *Integrated Report*.

Through our socio-economic development programme, we:



Contribute to areas that will have the most meaningful socio-economic impact on our communities, namely infrastructure, education and skills development, job creation and entrepreneurial development



Enhance broad-based local and community economic empowerment and enterprise development initiatives



Facilitate socio-economic development in local communities by means of our social and labour plans (SLPs) and our corporate social responsibility (CSR) programme

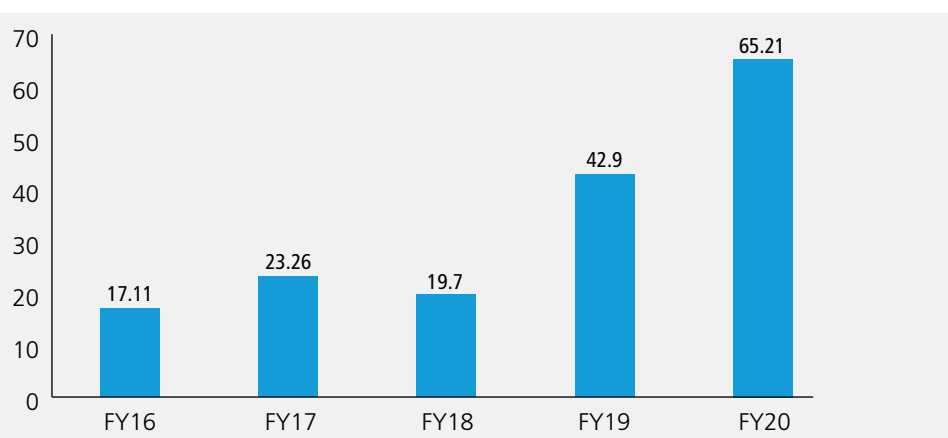


Support arts, culture, and sports and recreation

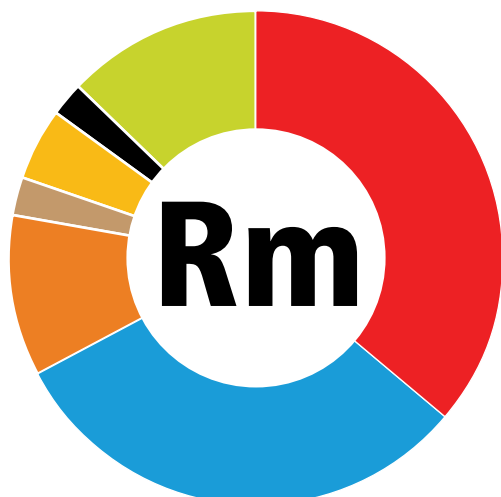


Build relationships based on trust with our host communities, the basis of which must be transparent dialogue and the delivery of mutually-agreed promises

Local economic development expenditure (South Africa) (Rm)



Local economic development expenditure – South Africa (Rm)



Infrastructure (roads)	23.6
SMME development	20.3
Sports and recreation/youth development	6.8
Education infrastructure (schools)	1.6
Education/youth development	3.3
Business development	1.5
Agriculture	8.2

Papua New Guinea

	FY20	FY19	FY18	FY17	FY16
Total discretionary spend (Rm)	3 900	3 590	2 980	2 700	2 900
Expenditure in country (Rm)	2 470	2 200	1 600	1 000	1 800
Expenditure in the Morobe Province (Rm)	697	1 100	1 100	725	734

Socio-economic development expenditure – FY20

	Investing in our social licence to operate	Preferential/local procurement	Enterprise and supplier development	Corporate social investment
Group approach	Identified mine community development initiatives aimed at stimulating socio-economic growth and development	Strategy in place to promote procurement spend to stimulate economic activity in local host communities with a focus on empowering woman and youth	New approved strategy to promote and develop local enterprise	Supplements other socio-economic activities and initiatives to generate positive impacts and outcomes
South Africa	Governed by the Mining Charter and related social and labour plans	Focus on black economic empowerment and driven by the Mining Charter	Providing procurement opportunities to small and medium sized black-owned businesses	Focus on: <ul style="list-style-type: none"> • education • socio-economic advancement • health • arts, culture, sports and recreation
Spend:	R65.2 million	R5.08 billion*	R1.55 billion	R10.6 million
Papua New Guinea	Activities governed by the memorandum of agreement with various levels of government Focused on: <ul style="list-style-type: none"> • community infrastructure • health programmes • community agriculture programmes 	Aligned with terms of the memorandum of agreement for localised procurement within the Morobe Province	Aligned with terms of memorandum of agreement for procurement in country	Included in activities relating to our social licence to operate
Spend:	R36.5 million (US\$2.15 million)	R2.5 billion (US\$145 million)	R1.2 billion (US\$71 million)	

*Spend with companies having black economic empowerment shareholdings of at least 25% + one vote or higher as well as BEE level 4 compliance



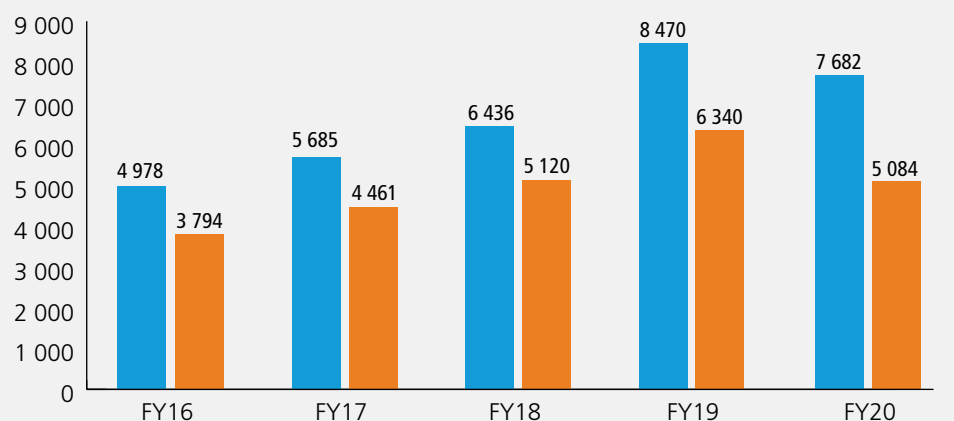
Harmony recognises that procurement and enterprise development are key mechanisms through which we develop and support our social capital performance. Not only does strategic procurement facilitate job creation and entrepreneurial development, it also supports the sustainable socio-economic development of the communities and the regions in which we operate – all of which are pillars of supporting and maintaining a healthy and robust social capital. Positive social capital reinforces a thriving eco-system in which our business and stakeholders can thrive.



Total discretionary expenditure vs preferential procurement (South Africa)

(Rm)

■ Total discretionary expenditure
■ Preferential procurement



Communities – South Africa (Rm)

	FY20	FY19	FY18	FY17	FY16
LOCAL ECONOMIC DEVELOPMENT	65	43	20	23	17
CORPORATE SOCIAL INVESTMENT	11	32	15	11	9
PROCUREMENT					
Total discretionary spend	7 682	8 470	6 436	5 685	4 978
Preferential procurement ¹	5 084	6 340	5 120	4 461	3 794
Preferential procurement as a proportion of total discretionary spend (%)	66	75	80	78	76
Total procurement spend on 51% black-owned companies	3 267	4 127	1 939	1 571	992
Spend with women-owned companies – greater than 51%	374	219	120	98	45
Spend with women-owned companies – equal to and greater than 30%	1 285	1 185	869	364	270
Spend with small, local black-owned businesses in host communities	1 048	1 243	967	na	na

¹ Black-owned and black economic empowerment compliant spend



Free State



GOVERNANCE

The board subscribes to the principles of good corporate governance, namely the exercise of ethical and effective leadership towards achieving ethical culture and responsible corporate citizenship; good performance and value creation; effective control and legitimacy.



INTRODUCTION

A detailed corporate governance report may be found in the *Integrated Report*. The board, through the audit and risk committee, adopted a formal corporate governance and compliance policy and framework which sets out the principles of good corporate governance for the board as well as all employees at all operational levels, and is summarised as follows:

CORPORATE GOVERNANCE AND COMPLIANCE POLICY AND FRAMEWORK

These objectives form the foundation and framework for corporate governance within Harmony and apply to the board, all employees and contractors



Ethical culture and responsible corporate citizenship

- Ethical leadership
- Organisational ethics
- Responsible corporate citizenship



Good performance and value creation

- Strategy
- Reporting
- Political donations
- Executive key performance indicators that are linked to ESG performance



Effective control

- Governing structures and processes**
- Role of the board
 - Board committees
 - Appointment and delegation to management

Functional areas

- Risk governance
- Technology and information governance
- Compliance governance
- Remuneration governance
- Assurance and internal audit



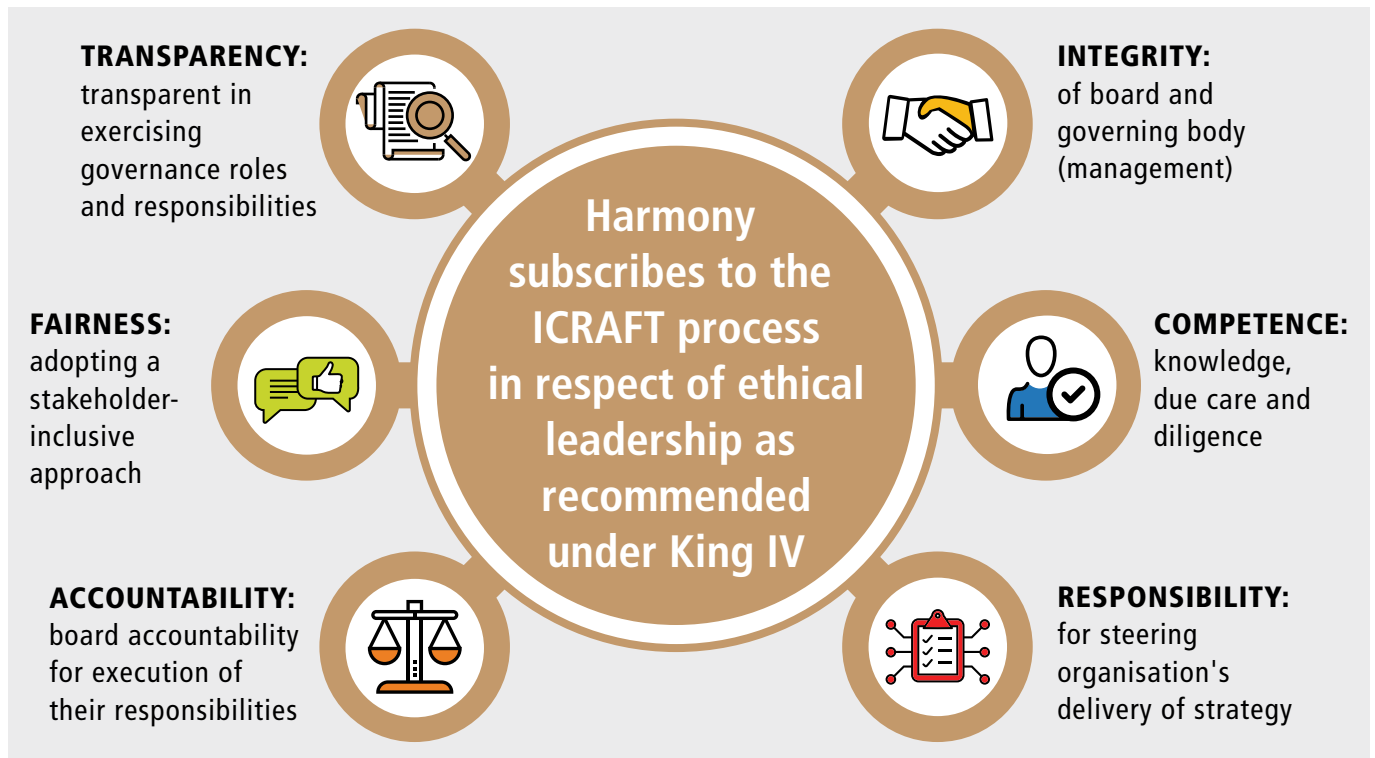
Legitimacy

- Inclusive stakeholder-engagement model

Underpinned by the principles of the King IV Code on Corporate Governance



Harmony subscribes to the iCraft Framework to Ethical Leadership as recommended by King IV.



BOARD COMMITTEES

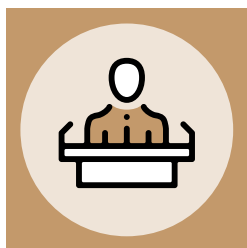
The board has delegated particular roles and responsibilities to standing committees based on relevant legal requirements as well as on what is appropriate for the group and to achieve the objectives of delegation. The board recognises that duties and responsibilities can be delegated but that accountability cannot be abdicated. The board, therefore, remains ultimately accountable.

Formal terms of reference have been adopted for each board committee and are reviewed annually (and when necessary) to ensure that the content remains appropriate and relevant. The terms of reference address, as a minimum, the recommended items in King IV.



BOARD OF DIRECTORS					
The board exercises its leadership role over the group by: <ul style="list-style-type: none"> • Steering its strategic direction • Approving policy and planning that gives effect to the strategy • Overseeing and monitoring implementation and execution by management • Ensuring accountability for performance through reporting and disclosure 					
BOARD COMMITTEES					
The board has delegated particular roles and responsibilities to standing committees, however the board remains ultimately accountable. The board committees' primary functions, include the consideration, oversight and monitoring of strategies, policies, practices, performance and recommendations to the board for final approval related to:					
Audit and risk	Social and ethics	Technical	Investment	Remuneration	Nomination
Operation of an adequate system of internal control and control processes	Occupational health and employee well-being, environmental management, corporate social responsibility, human resources, public safety and ethics management	Safety, strategy and operational performance	Potential projects, acquisitions and disposals in line with Harmony's strategy and ensures that due diligence procedures are followed	Fair reward of directors and executive management for their contribution to Harmony's performance	Formal and transparent procedures related to board appointments
Accurate and appropriate reporting of financial statements	Compliance against relevant regulations	Review of strategic plans providing guidance and support to management		Harmony's compensation policies and practices and administration of its share incentive schemes	Succession planning for directors and members of the executive team
Risk management and overall risk governance	Sustainability-related key performance indicators and levels of assurance			Group remuneration policy	Board self-assessment process

POLITICAL DONATIONS



Harmony supports the democratic processes in South Africa and Papua New Guinea, and contributes to their political parties. A policy relating to political donations has been adopted by the company. During FY20 review, there were no substantial donations made by Harmony.

Role of chairman and tenure of non-executive directors

The chairman of the board, Dr Patrice Motsepe, is a non-executive director but is not classified as independent. The board is satisfied that the lead independent director, Mr Mavuso Msimang, meets the requirements for an independent director under the Companies Act, 71 of 2008 (the Companies Act) and King IV, and any other criteria evidencing objectivity and independence established by the board. The duties of the chairman as well as the lead independent director have been included in the board charter and are based on the recommendations of King IV.

The roles of the chief executive officer and chairman are separate. In addition to the chairman and lead independent director, the board also has a deputy chairman, Mr Modise Motloba.

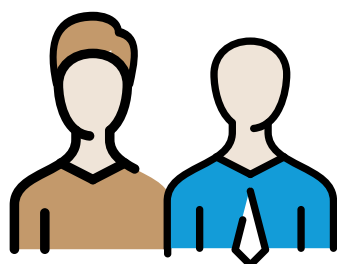
Guidance provided by King IV, as far as the board chairman's membership of board committees is concerned, has been applied and the board chairman is only a member of the nomination committee. The nomination committee is chaired by the lead independent director.

Several independent non-executive directors have served in this capacity for more than ten years. They are:

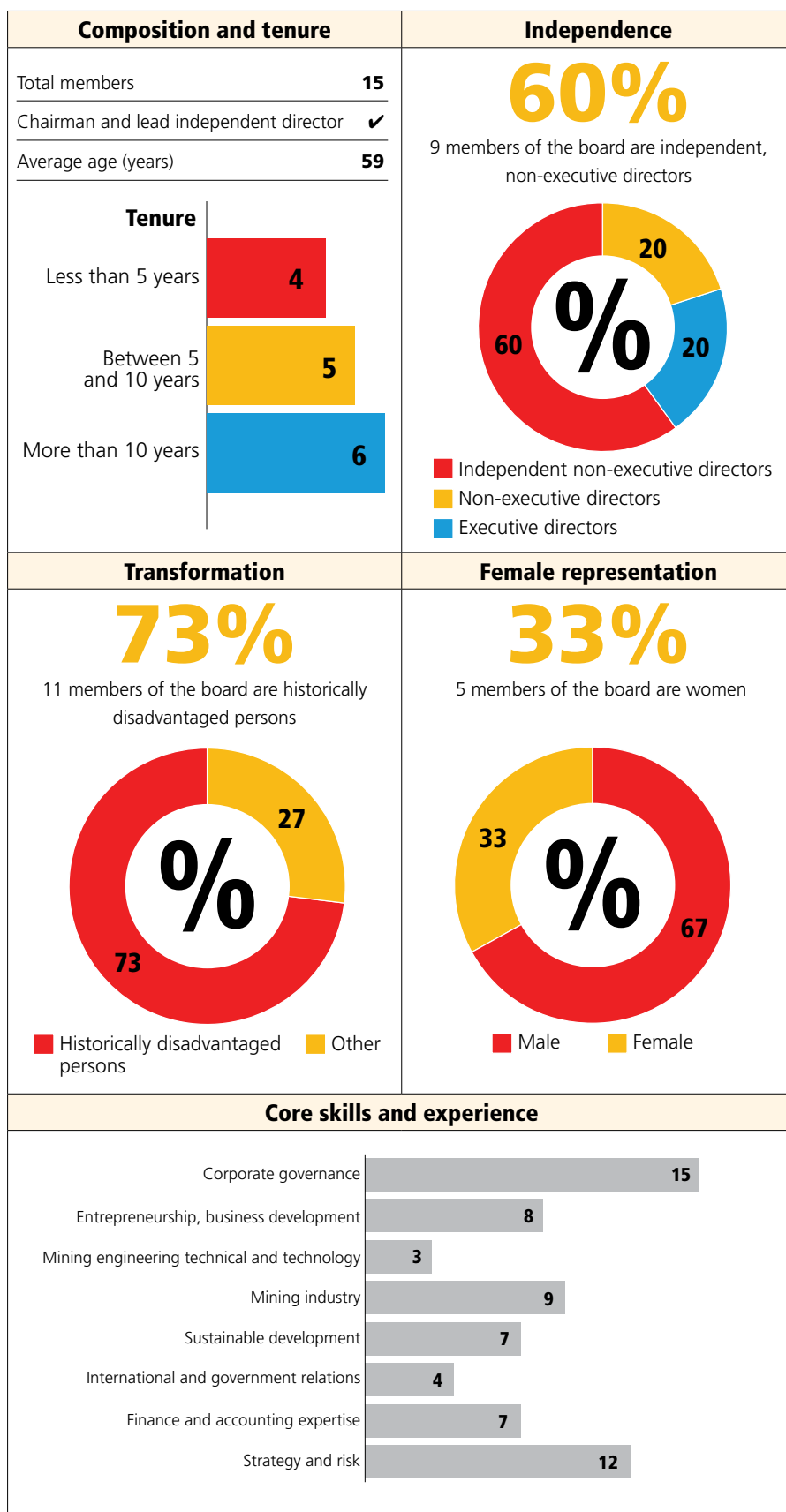
- Ms Fikile De Buck 14 years
- Mr Joaquim Chissano 15 years
- Dr Simo Lushaba 18 years
- Ken Dicks 12 years

Ken Dicks has since resigned from the board effective 30 September 2020.

The nomination committee specifically assessed the independence of these individuals on behalf of the board. The committee also satisfied itself that the individuals do not have any relationships that may impair, or appear to impair, their ability to apply independent judgement. In addition, there are no interests, positions, associations or relationships which, when judged from the perspective of a reasonable and informed third party, are likely to influence the members unduly or cause bias in their decision-making. The committee thus concluded that the members exercise objective judgement at all times. The wealth of experience of these members, in addition to their being known as reputable individuals of integrity and great character, makes their ongoing input and contribution an invaluable asset to the board and the group.



BOARD INDEPENDENCE, DIVERSITY AND EXPERIENCE AS AT 23 OCTOBER



REMUNERATION

Remunerating executives fairly and holding them accountable for the success of the business is in the interests of all stakeholders, including employees, the community at large, and our business partners and suppliers.

We remunerate fairly and responsibly by ensuring that our remuneration is market-related and in line with the performance of the company. A detailed remuneration report may be found in the *Integrated Report*.

Pay gap

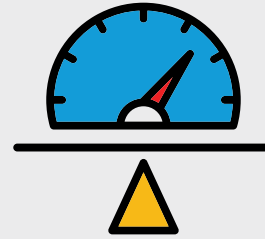
We ensure that our minimum remuneration compares favourably with the South African living wage, and that the measurement of the pay gap between the lowest and highest employment levels is established and monitored. In FY20, an average increase of 5% in guaranteed remuneration packages for non-unionised employees and 7.82% for unionised employees was agreed.

Income dispersion between high- and low-income earners is monitored under the Palma ratio, which calculates by comparing the average income of the top 10% earners compared to the average of the lowest 40% earners. Harmony's Palma ratio in 2020 was 5.3* compared to 5.5 in 2019 and 5.7 in 2018.

* Adjusted to remove the short-term impact of the Covid-19 pandemic

Gender equity

Our policy is to remunerate based on an individual's ability, skills and knowledge. There is no differentiation in remuneration based on gender, race or any other arbitrary factor.



The incentive component of executive remuneration is based on a balanced scorecard, which includes a number of key short- and long-term company performance measures (to be measured over trailing three- and one-year periods). The measures are reviewed and defined annually with appropriate weightings.

Salary benefits, retirement savings and contributions which make up remuneration are not based on a balanced scorecard.

A portion of the total incentive is paid immediately in cash and the balance is settled by means of deferred shares, which will vest at a rate of 20% per annum over the following five years for the executive directors and prescribed officers, and one-third per annum over the following three years for management.

THE SCORECARD COMPONENTS ARE AS FOLLOWS:

Total shareholder return – measured as total shareholder return over a trailing three-year period (measurements are generally taken at the end of August), comprising two components:

- **absolute performance**, which takes into account on the value of the growth in the company's share price; and the value of dividends paid over the measurement period, compared to the company's cost of equity target.
- **relative performance** of the company compared to that of the JSE Gold Index and the FTSE Gold Mines Index over the measurement period.

Production, which means total gold production against the board approved business plan for the year.

Total production cost, which refers to means total cash operating cost and total capital expenditure for the year.

Safety performance: Lost-time injury frequency rate, measured against the board-approved plan.

Environment, social and governance (ESG), measured on the basis of continued inclusion in the FTSE4Good Index as verified by FTSE Russell.

ESG ABBREVIATIONS AND DEFINITIONS

TERM	DEFINITION
AMCU	Associated Construction and Mineworkers Union
CSR	Corporate social responsibility
DMRE	Department of Mineral Resources and Energy
FY	Financial year
GEI	Bloomberg Gender-Equality Index
GRI	Global Reporting Initiative
HDPs	Historically disadvantaged persons
ICMM	International Council on Mining and Metals
IMIU	International Mining Industry Underwriters
NOx	Nitrous oxides
NUM	National Union of Mineworkers
NUMSA	National Union of Metalworkers of South Africa
OECD	Organization for Economic Co-operation and Development
PCR	Polymerase chain reaction
Scope 1 emissions:	Direct emissions from owned or controlled sources

TERM	DEFINITION
Scope 2 emissions:	Indirect emissions from the generation of purchased energy
Scope 3 emissions:	All indirect emissions (not included in scope 2) that occur in the value chain of the company, including both upstream and downstream emissions
SDGs	United Nations Sustainable Development Goals
SLPs	Social and labour plans
SOx	Sulphur oxides
TCFD	Task Force on Climate-related Financial Disclosures
TERS	Temporary Employees/Employers Relief Scheme
TSF	Tailings storage facility
UIF	Unemployment Insurance Fund
UNGC	United Nations Global Compact
VPSHR	Voluntary Principles on Security and Human Rights

CONTACT DETAILS

HARMONY GOLD MINING COMPANY LIMITED

Harmony Gold Mining Company Limited was incorporated and registered as a public company in South Africa on 25 August 1950

Registration number: 1950/038232/06

Corporate office

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Website: www.harmony.co.za

GROUP COMPANY SECRETARY

Shela Mohatla

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