



HARMONY™

ESG report
2021

**MINING WITH
PURPOSE**

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Mining with purpose

We are a global, sustainable gold producer, creating shared value for all stakeholders while leaving a lasting positive legacy by:

- Creating a profitable, sustainable company
- Committing to safe, ethical, social and ecologically responsible mining
- Positioning our business to contribute to a low-carbon future.

Creating shared value is the golden thread that links our purpose to our business model to our strategy. It drives our pursuit of operational excellence and ensures an inclusive approach to stakeholders. This guides the way we manage our capitals – ensuring that at all times we create and preserve value, generating infinite opportunities from a finite resource.

Our values



No matter the circumstances, safety is our non-negotiable intrinsic value



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

Our 2021 suite of reports




Integrated annual report 2021



Environmental, social and governance report (ESG report) 2021



Climate-related financial disclosures* 2021



Mineral Resources and Mineral Reserves 2021



Report to shareholders 2021



Financial report 2021




Operational report 2021

* Referred to in our reporting suite as TCFD report.

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

Scan QR code to download our full suite of 2021 annual reports



These reports and supporting documents are available online at www.har.co.za.

Other additional information can be found at www.harmony.co.za.

Note: All photographs in this report were taken under strict Covid-19 safety protocols, including social distancing and the use of facial masks to ensure the safety and wellbeing of our employees.

Indexes


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


Definitions and abbreviations

Definitions and abbreviations in this report are explained in glossary.

FEEDBACK
We would appreciate feedback from investors, analysts and other stakeholders on this ESG report.

REFERENCE

 Indicates a page or note reference of information which can be found elsewhere in the report.

 Indicates a reference for information available online at www.harmony.co.za.

Data in this report reflects nine months of Mponeng and related assets for 2021

ABOUT HARMONY



Moab Khotsong shaft cage exit.



A SAFE, HEALTHY WORKFORCE CREATES VALUE

In line with our purpose and commitment to responsible mining, our focus on zero harm is an investment in our business and in our people.

A safe, healthy workforce means engaged, motivated and productive workers. This in turn minimises operational stoppages, reduces potential legal liabilities and averts reputational damage.

We acknowledge that we have more work ahead to reach this goal. Much work has already been done to understand the underlying causes of safety incidents, most importantly human behaviour.

Reaching and maintaining zero harm is a commitment shared by every person in the group. Our people deserve no less.

SALIENT FEATURES OF FY21

Strategic pillars			
Responsible stewardship	Operational excellence	Cash certainty	Effective capital allocation
<ul style="list-style-type: none"> ✓ In final phases of embedding a proactive safety culture focused on leadership and behaviour ✓ Our health initiatives and Covid-19 protocols embed our commitment to the S in ESG ✓ Covid-19 vaccination drive protecting our employees ✓ Upgraded MSCI score from CCC to B rating ✓ FTSE4Good constituent ✓ Included in Bloomberg Gender Equality Index 2021 	<ul style="list-style-type: none"> ✓ 66% increase in production profit to R12bn (US\$777m) from R7.2bn (US\$459m) ✓ 1% increase in underground recovered grade to 5.51g/t from 5.45g/t ✓ 26% increase in gold production to 47 755kg (1 535 352oz) from 37 863kg (1 217 323oz) ✓ 19% increase in total mineral resources ✓ 16% increase in total mineral reserves 	<ul style="list-style-type: none"> ✓ 43% increase in revenue to R41.7bn (US\$2.7bn) from R29.2bn (US\$1.9bn) ✓ 83% increase in operating free cash flow to R6.5bn (US\$424m) from R3.6bn (US\$228m) ✓ 702% increase in net profit to R5.1bn (US\$325m) from loss of R850m (US\$56m) ✓ 60% reduction in net debt to R542m (US\$38m) from R1 361m (US\$79m) ✓ Net debt to EBITDA at 0.1x from 0.2x ✓ HEPS increased 741% to 987 SA cents (64 US cents) from net loss per share of 154 SA cents (10 US cents) 	<ul style="list-style-type: none"> ✓ Successful integration of Mponeng and related assets ✓ Deleveraged balance sheet provides optionality for projects and acquisitions ✓ Strong pipeline of organic projects to drive production profile and margin expansion ✓ Final dividend of 27 SA cents (1.8 US cents)[^] per share declared ✓ Total FY21 dividend yield of 2.4%[#]

[^] Illustrative equivalent based on the closing exchange rate of R14.72/US\$1 as at 27 August 2021.

[#] As at 27 August 2021.

Our investment case

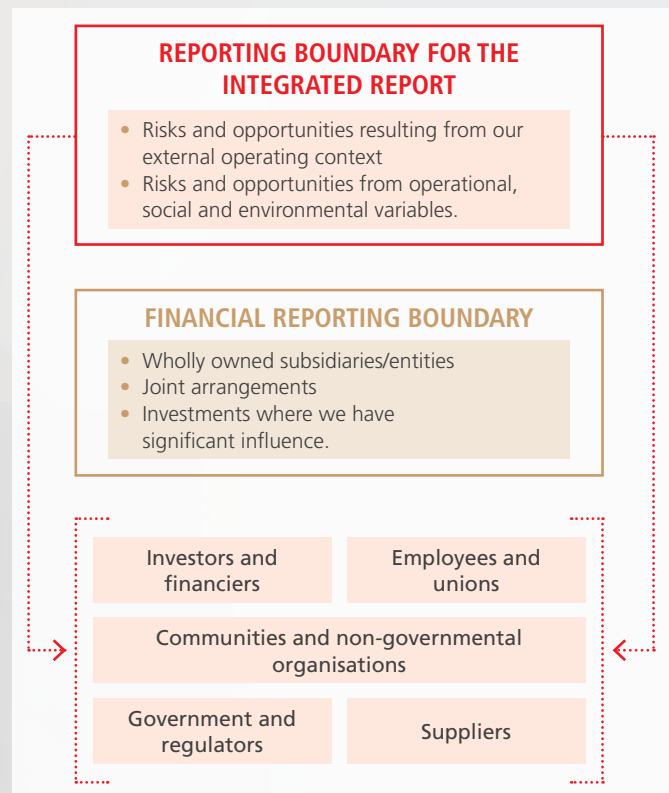
 <p>1.5Moz production in FY21</p>	 <p>Leveraged to R/kg gold price</p>	 <p>Quality growth prospects</p>	 <p>Maintaining focus on a strong balance sheet</p>
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ABOUT THIS REPORT

This is Harmony’s third environment, social and governance (ESG) report, produced for the financial year ended 30 June 2021 (FY21). Aimed primarily at stakeholders, including shareholders or providers of capital, this report focuses on our non-financial performance in South Africa and Papua New Guinea. Significant events between year end and the date on which this report was approved are also considered.

This report provides insight into the company’s ESG performance for the current year, and over the past five years, along with our aspirations. It is intended as a useful guide to support analysis. The report is based on materiality for our business, and complemented by our suite of reports that provides a more detailed narrative, particularly our integrated annual report.

The boundaries that guide our reporting are shown below:



Materiality

Our reporting addresses those aspects that we believe have a material impact on our performance (now and in future) and may impact our ability to deliver on our strategy and which may influence our ability to create value, in the short, medium and long term.

Engaging with stakeholders and their primary concerns are key in determining these aspects. For a better understanding, see **Stakeholder engagement**, **Material issues** and **Mitigating risk, pursuing opportunity** in this report.

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

	IAR	ESG	FR	MRR
International Integrated Reporting <IR> Framework 2021 www.integratedreporting.org	✓	✓		
Companies Act 71 2008, as amended (Companies Act)	✓	✓	✓	
JSE Listings Requirements www.jse.co.za	✓	✓	✓	✓
King IV Report on Corporate Governance for South Africa 2016™* http://www.iodsa.co.za/page/AboutKingIV	✓	✓	✓	
International Financial Reporting Standards (IFRS)	✓	✓	✓	
CDP Water	✓	✓		
Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD)	✓	✓		
United Nations (UN) Sustainable Development Goals (SDGs)	✓	✓		
World Gold Council	✓	✓		
SAMREC	✓			✓
SAMVAL	✓			✓

* King IV – copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all its rights are reserved.

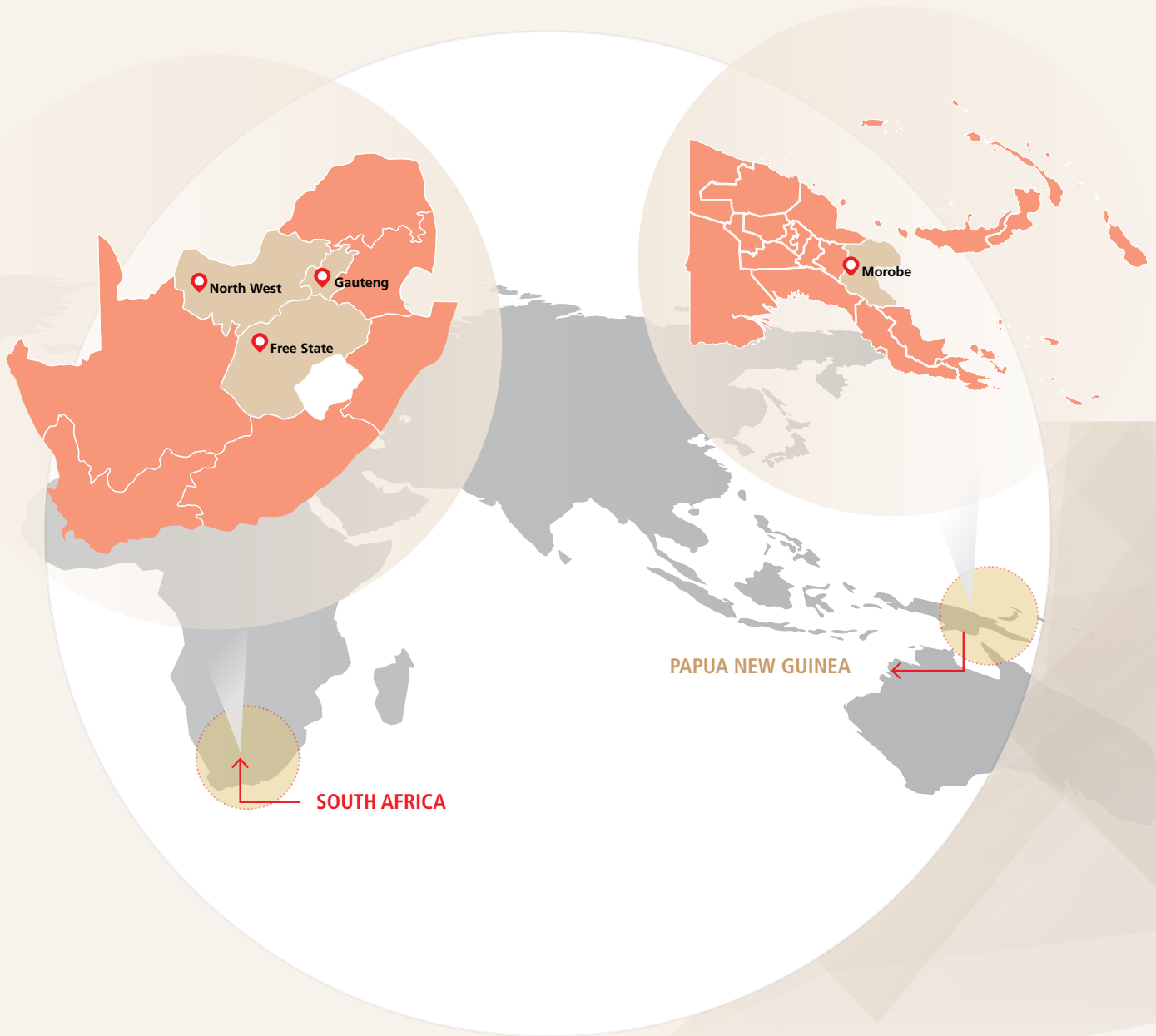
We have also considered the Principles for Responsible Investment, a United Nations-supported international network of investors, which reflect the increasing prominence of ESG issues to investors.

WHERE WE OPERATE

Our business

Harmony is a world-class **gold mining and exploration company with a copper footprint**

We have supplemented seven decades of experience with value-accretive acquisitions, repositioning our company as the largest gold producer in South Africa by volume. With a significant portion of the group’s Mineral Resources and Reserves in Papua New Guinea, one of the world’s premier new gold-copper regions, Harmony is also an acknowledged emerging-market mining specialist.



South Africa

Production:

1.38Moz (90%)

Located on the Witwatersrand Basin and Kraaipan Greenstone Belt, our South African operations accounted for 71% of group Mineral Resources (gold and gold equivalent ounces) and 58% of group Mineral Reserves at year end.

UNDERGROUND

West Rand¹

Doornkop

LoM* 14 years
4 146 employees
 Annual production 117 993oz
 Grade 4.31g/t

Kusasaletu

LoM 3 years
4 260 employees
 Annual production 128 570oz
 Grade 5.65g/t

Mponeng²

LoM 8 years
5 308 employees
 Annual production 175 092oz
 Grade 7.97g/t

Klerksdorp goldfield³

Moab Khotsong

LoM 24 years⁴
6 209 employees
 Annual production 230 391oz
 Grade 7.94g/t

Free State

Tshepong Operations

LoM 20 years
9 164 employees
 Annual production 238 526oz
 Grade 4.76g/t

Bambanani

LoM 3 years
1 639 employees
 Annual production 64 044oz
 Grade 8.78g/t

Joel

LoM 9 years
2 032 employees
 Annual production 45 783oz
 Grade 3.97g/t

Masimong

LoM 1.5 years
2 064 employees
 Annual production 64 687oz
 Grade 3.95g/t

Target 1

LoM 7 years
1 865 employees
 Annual production 51 536oz
 Grade 3.28g/t

¹ The West Rand is on the border between Gauteng and North West.

² Production for nine months from October 2020 to June 2021.

³ North West.

⁴ Includes Zaaipplaats.

* LoM – life-of-mine.

SURFACE

North West

Kalgold

LoM 12 years
700 employees
 Annual production 35 655oz
 Grade 0.74g/t

Mine Waste Solutions²

LoM: 17 years
1 276 employees
 Annual production 66 133oz
 Grade 0.116g/t

Waste-rock dumps

Annual production 41 250oz
 Grade 0.285g/t

West Rand¹

Waste-rock dumps

Annual production 41 506oz
 Grade 0.324g/t

Free State

Central Plant Reclamation

LoM 14 years
249 employees
 Annual production 18 101oz
 Grade 0.140g/t

Phoenix (tailings retreatment)

LoM 7 years
333 employees
 Annual production 25 046oz
 Grade 0.126g/t

Waste-rock dumps

Annual production 32 343oz
 Grade 0.616g/t

Papua New Guinea

Production:

~150 755oz (10%)

Located on the New Guinea Mobile Belt, in Morobe Province, our PNG operation accounted for 29% of group Mineral Resources (gold and gold equivalent ounces) and 42% of group Mineral Reserves at year end.

Hidden Valley

Open-pit gold and silver mine

LoM 6 years
2 228 employees
 Annual production 150 755oz
 Grade 1.37g/t

Wafi-Golpu

Proposed underground copper-gold joint operation – 50%

LoM 28 years
 Projected grade 1.27% copper, 0.9g/t gold

Multiple exploration areas



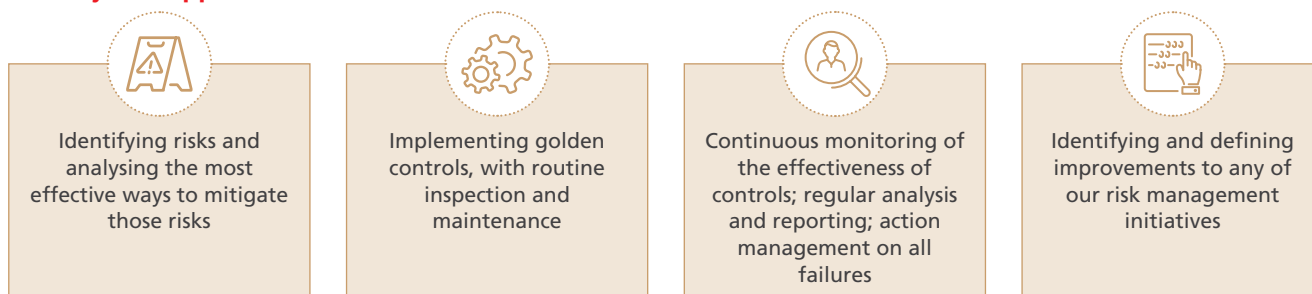
Safety equipment collection before heading underground.

MITIGATING RISK, PURSUING OPPORTUNITY

Mining has many inherent risks, both from an operational perspective and an external operating environment. To be successful and sustainable, every mining business needs to fully understand these risks and implement appropriate mitigating initiatives.

The Harmony risk management strategy, adopted in 2018, is focused on achieving safe, profitable production at our operations in South Africa and Papua New Guinea. It also aims to embed a culture of risk awareness and mitigation in all our employees – from miners to executive management – and board members. This strategy is a four-layered approach to identify, assess and control all hazards and risks that could affect our ability to achieve safe and profitable production.

Four-layered approach



By understanding those factors in our internal and external operating environments that create uncertainty and risk as well as their interrelated dynamics, we are better able to manage the effects of risks and position Harmony to capitalise on any opportunities, address future challenges and optimise our growth prospects.

For a detailed discussion on risk mitigation, see **Our risks and opportunities** in our **Integrated annual report 2021**.

Determining our most significant risks and opportunities

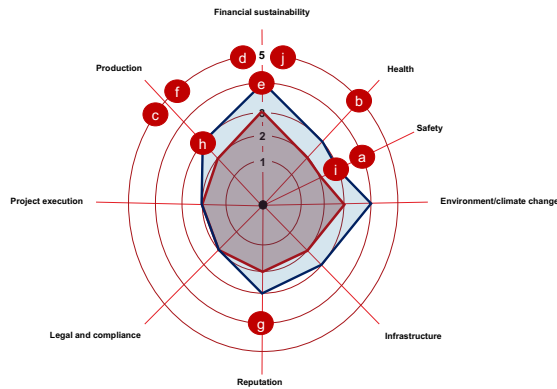
We monitor our risks closely to identify and manage those most material to the company. While our group-level risk appetite and tolerance levels are formally reviewed each year, these are continually monitored for relevance against changing macro-environment factors.

Our top strategic risks and opportunities

Our risk profile is based on potential events or factors that pose either a threat or an opportunity. These downside and upside risks and opportunities are considered in our day-to-day business activities and, once identified, are integral to formulating and managing our group strategy.

Group risk and opportunity profiles

Strategic risk profile – top risks

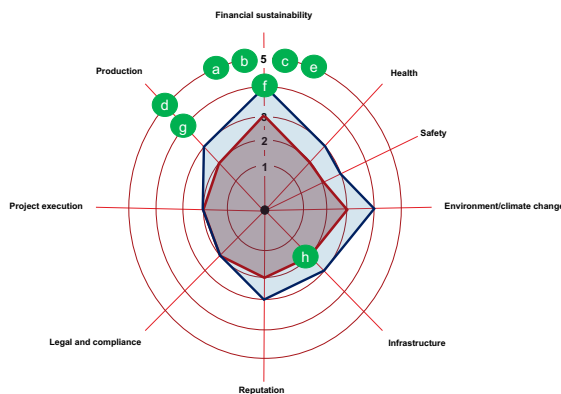


	Top risks
	Risk tolerance
	Risk appetite
5	Catastrophic
4	Very High
3	High
2	Medium
1	Low
Health, safety etc	Harmony's nine risk categories

Top strategic risks

- a Fatalities/safety
- b Covid-19 (spread of infection and business sustainability)
- c Depleting the ore reserve base
- d Gold price and forex fluctuations (varying from planned levels)
- e Electricity security of supply, loadshedding and rising costs of energy
- f Ore reserve flexibility (Iceberg management model)
- g Labour and community unrest during wage negotiations
- h Not achieving our operational objectives
- i Criminal mining, attacks on plants, theft, corruption, and legalisation of artisanal mining
- j Data loss and lack of access because of technology upgrades on major systems, Oracle and human resources

Strategic opportunity profile – top opportunities

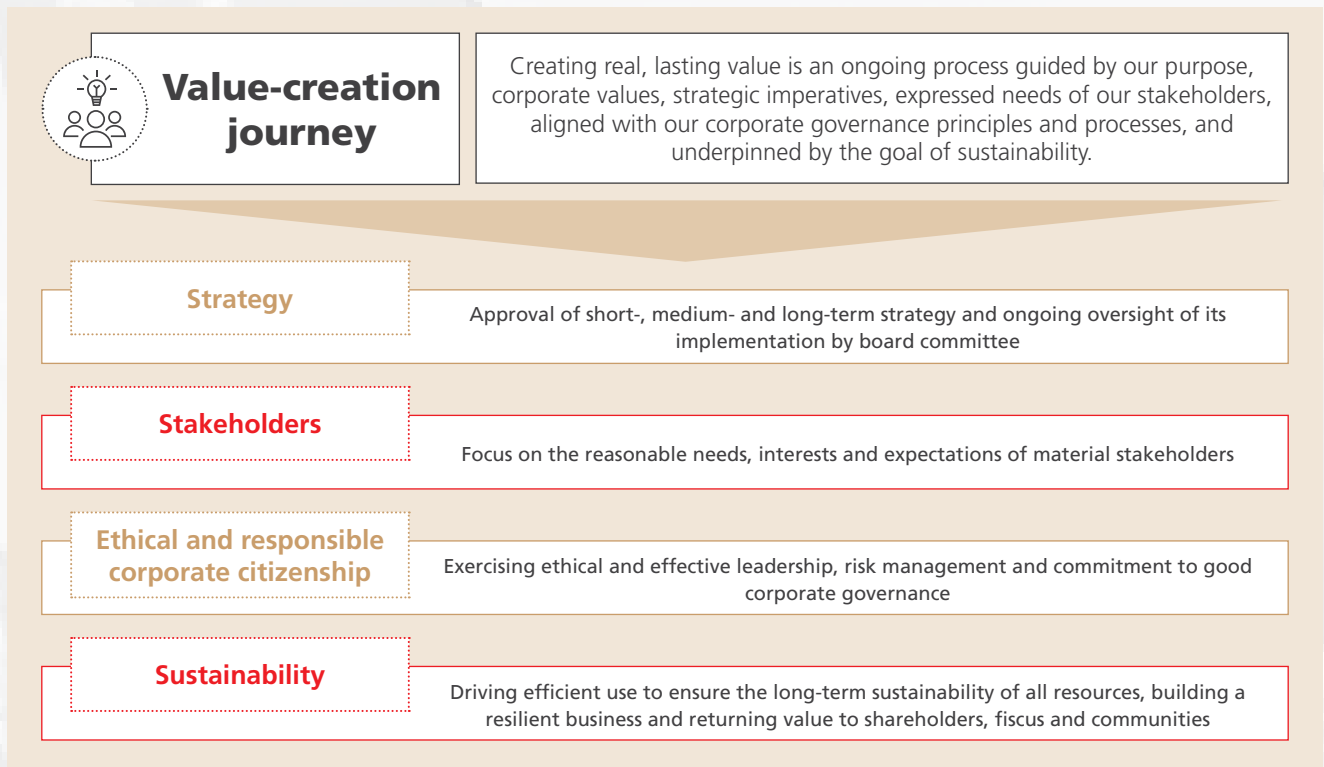


	Risk tolerance
	Risk appetite
5	Extremely high leverage
4	Very High
3	High
2	Medium
1	Low
Health, safety etc.	Harmony's 9 risk categories

Top group opportunities

- a Organic growth and mine life extension: Moab Khotsong and Hidden Valley
- b Moving Wafi-Golpu up the value curve
- c Mponeng extension; life-of-mine (LoM)
- d Productivity and business improvements
- e Merger and acquisition opportunities
- f Gold price and foreign exchange derivative programmes
- g Establishing a project pipeline to replace or contribute new production ounces
- h Implementing new technology

OUR SUSTAINABILITY STRATEGY



The principles of sustainable development are embedded in our business strategy, business processes and decisions. The first pillar of our strategy – responsible stewardship – covers all the elements of sustainable development relevant to Harmony.

This pillar underpins our operating philosophy of profit with purpose, and hinges on maintaining strong relationships by engaging and collaborating with stakeholders. At all times, we are mindful of our responsibilities as a corporate citizen, environmental stewards and in truly living our values.

In line with our aim to produce safe, profitable ounces, we continually consider the impacts of our business activities for the countries in which we operate, our employees, host communities and environment. We also consider the effectiveness of our plans to manage and mitigate these impacts. We also keenly understand the importance of inclusive stakeholder engagement and partnerships that enable Harmony to mine gold responsibly and sustainably.

In recent years, we have implemented key tenets of our sustainable development framework, with measurable progress against specific targets detailed in this report. Understanding the growing importance of reliable non-financial data for a key stakeholder group – investors – we are also continually enhancing our ESG disclosure, reflected in improved ratings from global agencies (page 13).

Over the next five years, we will continue to strengthen our delivery on key sustainable development indicators and the SDG targets most relevant to our business.

Sustainable development guidelines and frameworks applied

	<p>United Nations Sustainable Development Goals (SDGs): 17 goals adopted by member states in 2015 with 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 is the role of the private sector, to support governments, civil society and the public, in achieving these targets. Harmony has aligned its sustainability strategy to the SDGs in 2018.</p>
	<p>World Gold Council's Responsible Gold Mining Principles: These address key environmental, social and governance issues for the gold mining sector and set out clear expectations for consumers, investors and the downstream supply chain on what constitutes responsible gold mining. After completing the required year one gap analysis, we are in year two of a three-year process for formal certification against these principles.</p>
	<p>Task Force on Climate-related Financial Disclosures (TCFD): We produced our second report against these disclosures in FY21. We continue to submit an annual performance report to CDP Water (formerly the Carbon Disclosure Project).</p>

While Harmony is not a member of the International Council on Minerals and Metals (ICMM), or a signatory to the United Nations Global Compact or Voluntary Principles on Security and Human Rights, we have adopted their principles to support our sustainable development framework. We also consider the Organization for Economic Co-operation and Development (OECD) guidelines for responsible investment. Harmony has adopted key aspects of the international tailings standards and will take decisions on full implementation once the operating guidelines have been released.

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.

Aligning with the SDGs

















OUR SUSTAINABILITY STRATEGY **continued**

As a mining group, we depend on natural and human resources. In addition, we have operated in emerging-market countries for decades, developing an informed understanding of their complexities and sensitivities. As such, we understand our role in contributing to broader sustainable development issues – taking action against climate change and fossil-fuelled energy consumption, ending poverty, efficiently managing our use of scarce natural resources such as water and land, while protecting biodiversity and observing human rights.

Equally, as a private-sector company, we are committed to supporting 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 prioritised six SDGs directly aligned with our business strategy and its four pillars. We have also identified another four SDGs where we can meaningfully contribute through our sustainable development strategy and by meeting our socio-economic development commitments. Many of the SDGs are interconnected. Collaboration is an SDG that is core to all others and calls for partnerships and pooled efforts and resources to bring sustained beneficial change to our people.

Tier 1 – central to our core business and strategy

	What Harmony is doing
 <p>Ensure good health and promote the wellbeing of all</p>	<p>The safety, health and wellbeing of our employees is a priority. In many instances, this extends to communities where our employees reside. At present, we are focused on combating the pandemic in South Africa and Papua New Guinea.</p> <p> Refer Safety and health, Harmony's response to Covid-19 and Employee wellness and healthcare</p>
 <p>Promote gender equality and empower women and girls</p>	<p>Gender equality is an important aspect of our human resources policy. Gender diversity targets are in place and we are actively increasing the number of women employed across the company, at all levels.</p> <p> Refer Caring for our workforce and Corporate governance</p>
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work</p>	<p>We employ over 48 000 people. To support our business strategy and ensure our long-term viability, we aim to be a fair and responsible employer that respects the rights of employees to associate freely. Training and development programmes empower employees to contribute to the company and society.</p> <p> Refer Caring for our workforce</p>
 <p>Ensure sustainable, responsible consumption and production patterns</p>	<p>A key pillar of our business strategy is operational excellence by optimising our processes, grade management and costs to improve productivity and efficiencies. This inherently involves the efficient use of natural resources, responsible waste management, sustainable procurement practices, and regular reporting to stakeholders.</p> <p>  Refer Environmental management and stewardship in this report and our Operational report</p>
 <p>Take urgent action to combat climate change and its impacts</p>	<p>Reducing our impact on climate change is vital. In South Africa, where much of the energy we consume is fossil fuel, long-term targets aim to reduce energy consumption, improve related efficiencies and reduce greenhouse gas emissions. In Papua New Guinea, a significant portion of energy used is renewable (hydro-power) energy.</p> <p>  Refer Climate change, energy and emissions management in this report as well as to our TCFD report 2021</p>
 <p>Protect, restore and promote the sustainable use of terrestrial ecosystems, halt and reverse land degradation, and halt biodiversity loss</p>	<p>Our environmental strategy and related policies and procedures seek to mitigate the impacts of our mining activities. In South Africa, a rigorous land rehabilitation programme is underway.</p> <p> Refer Land rehabilitation and management</p>

Tier 2 – SDGS we support through our existence and sustainable development activities

📄 For more on our contribution to these SDGs, see [Corporate social investment](#).





	What Harmony is doing
 <p>End poverty in all its forms everywhere</p>	Our 48 000 employees support an estimated 480 000 dependants, local businesses and municipalities in the communities in which they live. Many of our socio-economic initiatives are aimed at creating empowerment, employment and economic upliftment through among others sustainable economic activities – see SDG 11 – and help to combat poverty.
 <p>End hunger, achieve food security and promote sustainable agriculture</p>	We support broad-based agriculture and commercial agricultural ventures to establish alternative, sustainable economic activities that will continue beyond mining operations and to contribute to food security. In South Africa, our focus is on cultivating grains and vegetables. In Papua New Guinea, the cocoa and coffee projects are progressing well.
 <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities</p>	In South Africa, we focus on advancing mathematics, science and technology at secondary schools. At community level, we promote training in entrepreneurial and portable skills as well as information and communication technology among the youth. Ongoing training and skills development for our employees is a business imperative.
 <p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	Our socio-economic development strategy focuses on agricultural, infrastructure and sustainable energy projects, which have greater potential to deliver sustainable benefits to communities. This is supported by preferential and local procurement, as well as enterprise and supplier development. The aim is to help establish sustainable communities that are economically viable post mining. Infrastructure projects (such as roads in South Africa and water and sanitation in Papua New Guinea) help boost the resilience of host communities.

Collaboration

 <p>Collaboration with various stakeholders</p>	<p>Partnering to aid delivery on the SDGs entails strengthening the means of implementation and revitalising partnerships – with communities, local municipalities, small businesses and various levels of government – for sustainable development. We do this at both local and regional levels.</p> <p>📄 See Stakeholder engagement and Material issues</p>
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Independent rankings

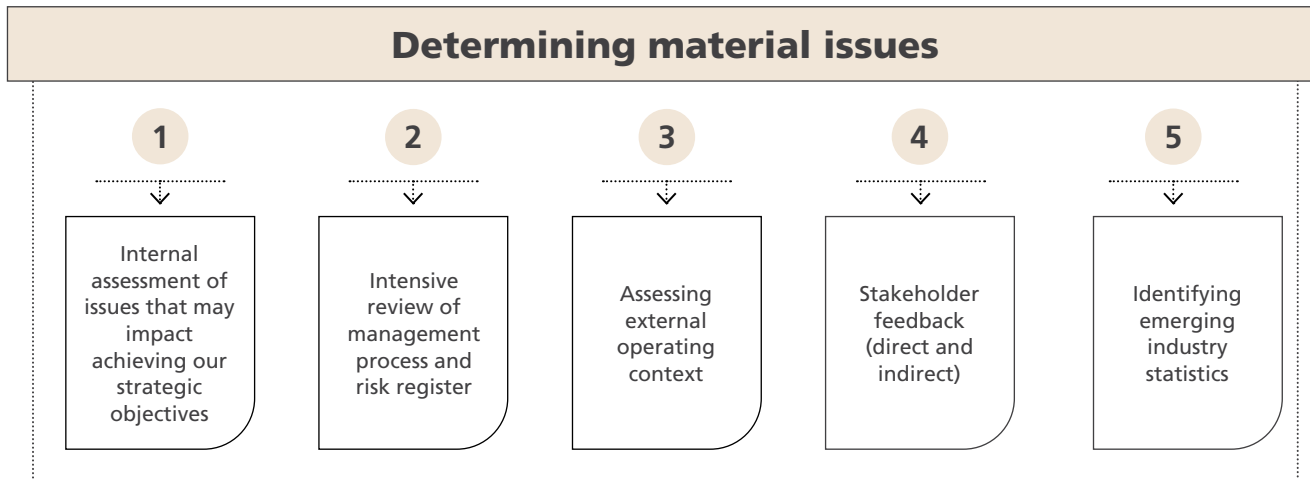
Our ESG performance is annually assessed by global ratings agencies. In line with our aim to continually improve disclosure, we monitor these scores closely, particularly any areas where we may be underperforming our industry peers. Key results for FY21 include:

<p>FTSE Russell: ESG rating 3.7 out of 5.0 (environment: 3.9; social: 3.0; governance 4.3). Harmony outperformed both the gold mining subsector average and basic metals industry average in this assessment period.</p>	 <p>FTSE4Good</p>
<p>MSCI upgraded Harmony from CCC to B. Overall, we performed better than the industry average but acknowledge that more work is required to improve our performance in the areas of health and safety, labour management and community relations.</p>	 <p>MSCI</p>
<p>Sustainalytics: Harmony ranks in the top 50 under the precious metals category</p>	
<p>Bloomberg Gender-Equality index: score of 64.17% and disclosure score of 98.31%.</p>	

MATERIAL ISSUES

Determining material issues

Assessing materiality is a formal and diligent process each year, informed by the guidance underpinning integrated and sustainability reporting. In particular, our materiality assessment is guided by the process set out in the GRI, and informed by our risk assessment matrix.



Material issues

Issue	Impact	Response
Ensuring employee safety and health	Staff morale and team dynamics, business continuity and reduced profitability from work disruptions	<ul style="list-style-type: none"> Prevent workplace fatalities and injuries Eliminate occupational illness Promote employee health, and manage impact of pandemic Reduce airborne pollutants and inhalable hazards in the workplace.
Maintaining our social licence to operate	Reputational damage, disengaged and discontent communities which could challenge our licence to operate and even cause disruptions and loss of production	<ul style="list-style-type: none"> Make a positive contribution to communities around our operations Manage community expectations and address their concerns Support local and transformational procurement Create and sustain employment, and ensure meaningful work environments/conditions Support enterprise and supplier development Ensure constructive relationships and partnerships with stakeholders Plan for local economic activity and socio-economic sustainability post mine closure Fulfil our mining charter commitments.
Responsible environmental stewardship	Potential threat to licence to operate, reputational damage, ecosystem degradation and potential increases to operational costs and/or rehabilitation liabilities	<ul style="list-style-type: none"> Resource efficiencies – water and energy consumption Manage and reduce our greenhouse gas emissions, and guard against impact of climate change on our business and communities Manage and minimise waste, and beneficiate waste to support circular economies where practical Minimise our land use and promote conservation and biodiversity Plan for integrated closure, and ensure we fulfil our remediation obligations and provisions Responsibly manage our cyanide consumption Monitor and manage the integrity of tailings storage and disposal facilities.
Instilling an enabling culture and empowered workforce	Unmotivated and ineffective workforce which could translate to efficiency challenges and affect profitability	<ul style="list-style-type: none"> Create and sustain jobs Ensure transformation, inclusion and diversity in the workplace Gender equality and women in mining Build a skills pool, manage talent and plan for succession Ensure ongoing education and training – employees and communities.
Navigating political and regulatory uncertainty	<p>In South Africa</p> <ul style="list-style-type: none"> Increasing cost of regulatory compliance – carbon tax Uncertainty on land expropriation Rising social demands Inhibiting regulatory environment. <p>In Papua New Guinea</p> <ul style="list-style-type: none"> Growing regulatory uncertainty may jeopardise our existing operation and decision to proceed with future projects. 	<ul style="list-style-type: none"> Advocacy of new or emerging legislation Actively review and influence emerging legislation Member of industry group policy and regulatory committees Continuous engagement with governments, communities etc.

📡 See more detail in the **Material issues** section in our **Integrated annual report 2021**.

STAKEHOLDER ENGAGEMENT



Stakeholder engagement is our principal mechanism to identify and address a range of issues – particularly for employees, host communities and government authorities – in creating shared value.

Effective stakeholder engagement builds partnerships and aids understanding of their needs and expectations, as well as of their perceptions of Harmony. This enables us to identify, prioritise and better manage issues, as well as potential risks and opportunities.

The quality of our relationships with stakeholders and how well these are managed affect our ability to deliver on our strategy. Building long-term, stable, mutually beneficial relationships protects our social licence to operate, supports our business strategy and creates shared value for all our stakeholders.

We believe that our competitive strengths lie in our ability to effectively connect with our stakeholders. Being resident in South Africa and Papua New Guinea where we operate, has sharpened our skills in stakeholder engagement and given us a clearer understanding of the needs and challenges facing our host communities. Equally, we recognise the importance of balancing the needs, interests and expectations of different stakeholders.

We also consider King IV and related recommendations on inclusive engagement and the importance of addressing legitimate stakeholder concerns. In the review period, we strengthened our stakeholder engagement platforms to address these communities’ challenges in acceptable turnaround times. These different platforms submit quarterly progress reports to the social and ethics committee, which has oversight of stakeholder relations and ethics.

By regularly engaging with stakeholders, we are better able to understand their needs and expectations and how best to support them in unlocking value for the benefit of all. We are also able to proactively identify and prioritise material issues and potential risks, and determine plans to mitigate these. In engaging with stakeholders, we are guided by our values, stakeholder relations pillars 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.

Stakeholder engagement initiatives

In line with our stakeholder engagement strategy, the South African operations are establishing broad-based, inclusive and legitimate structures through a social facilitation process. These replaced issue-based engagements used in the past. These structures are designed to proactively engage with our host communities by focusing on:

- Instituting a primary channel for formal community engagement in areas that host our operations or projects
- Aligning and coordinating stakeholder engagement initiatives across our operations
- Promoting constructive dialogue with our host communities
- Creating shared value and sustaining our social licence to operate.

Results from a perception study in the South African operations showed that communities are gradually gaining trust in Harmony. There are plans in place to improve this level of trust by addressing specific issues identified in the study.

Our Papua New Guinea approach is also aligned to this strategy. Structured and scheduled engagements with government and landowners continue to address issues proactively.

Engagements with the government of Papua New Guinea have yielded positive results, particularly in granting the extension of the Hidden Valley mining lease and its tenements by another five years to March 2030. Further engagements are underway to obtain the Wafi-Golpu Joint Venture (WGJV) mining lease and the Conservation Environment Protection Authority (CEPA) permit for the deep-sea tailings placement (DSTP) agreement by 2022.

STAKEHOLDER ENGAGEMENT continued

Engaging with key stakeholders

Stakeholder	Significance	Quality of relationship	Aim of engaging
Investors and financiers: capital providers, current and future shareholders and, indirectly, investment analysts and financial media	Provide financial capital.	●	<ul style="list-style-type: none"> • Reporting on performance • Managing expectations on financial, operating and ESG performance • Providing guidance on delivery against strategic objectives.
Employees and unions	Provide human capital, including skills and experience.	●	<ul style="list-style-type: none"> • Emphasising importance of safety, reducing risk, procedural compliance • Maintaining stable, constructive, peaceful labour relations • Reporting performance against strategic objectives.
Communities, landowners and non-governmental organisations	Demonstrating responsible corporate citizenship; protecting our social licence to operate.	●	<ul style="list-style-type: none"> • Collaborative partnerships with host communities for shared value • Managing our impacts and community expectations • Proactively identify and resolving grievances • Promoting economic stability • Upholding commitments made to our stakeholders • Keeping host communities informed of activities and performance • Seeking input and support for future projects.
Governments and regulators	Enact legislation and related regulations that Harmony must comply with to earn/retain its regulatory licence to operate. Align and manage interests, needs and expectations.	●	<ul style="list-style-type: none"> • Maintaining positive relations at all levels of government to better manage uncertainty of regulatory changes and political risk • Collaborating with government on strategic initiatives • Compliance reporting on operations/projects performance • Promoting conducive environment for investing in long-term growth of Harmony.
Suppliers	Provide raw materials, inputs and services essential to our business.	●	<ul style="list-style-type: none"> • Managing costs and aligning with our key policies to support delivery of our strategic objectives and long-term viability • In South Africa, this engagement is essential in meeting procurement targets for our mining rights.

● Strong relationship

● Building relationship

Wafi-Golpu

The special mining lease permit is still being negotiated, together with the mine development contract between the state and the Wafi-Golpu Joint Venture (WGJV). There is a fragmented view on the licensing of WGJV among the regulatory authorities. In March 2021, the governor of Morobe Province and the Morobe provincial government initiated legal proceedings against the minister for environment and climate change, the managing director of CEPA,

the minister for mining, and the independent state of Papua New Guinea, seeking judicial review of granting an environment permit for the Wafi-Golpu project. The Wafi-Golpu Joint Venture participants, namely Wafi Mining Limited and Newcrest PNG 2 Limited, are not parties to the proceedings.

The joint-venture partners continue to engage with the various structures to resolve the impasse and are confident that the mining lease permit will be awarded in the near future.

	Form	Concerns	Response
	<ul style="list-style-type: none"> • Results presentations • Annual reporting • Website • One-on-one calls and industry conferences • Meetings and AGM • Regulatory announcements • Responding to emails sent to our database. 	<ul style="list-style-type: none"> • Safety performance • Power security (South Africa) • All-in sustaining costs and impact of greater social demands • Managing pandemic and its implications • Integrating acquisitions. 	<ul style="list-style-type: none"> • Implementing final phases of our risk-based management strategy to improve safety performance • Progress with plans for solar power • Viability of company and livelihoods of surrounding communities ensured during pandemic • Unlocking synergies from recent acquisitions.
	<ul style="list-style-type: none"> • Frequent engagement via mass meetings, briefs, intranet, newsletters, emails, internal broadcasts, social media • Structured, formal and regular meetings with unions. 	<ul style="list-style-type: none"> • Safety – eliminating injuries and preventing fatalities • Pandemic and related health concerns, treatment, security of employment • Transformation in South Africa and localisation in Papua New Guinea. 	<ul style="list-style-type: none"> • Intensive communication to raise safety awareness • Encouraging more engaged and proactive safety culture • Ongoing enforcement of Covid-19 standard operating procedures, with regular communication • Ongoing initiatives to improve transformation and localisation • Workforce programme to encourage and deliver Covid-19 vaccinations • Three-year wage agreement settled with all five representative unions post-year end.
	<ul style="list-style-type: none"> • Formal, quarterly meetings with community structures in South Africa • Ad-hoc issue-based meetings • Effective use of media to support engagement • Social media pages for South African and Papua New Guinea operations • Community affairs offices and public information centre for our Papua New Guinea sites • Engaging with village liaison officers in Papua New Guinea. 	<ul style="list-style-type: none"> • Employment opportunities and job creation • Procurement • Enterprise development • Mine community development • Illegal mining • Covid-19 transmissions • Public participation for environmental authorisations. 	<ul style="list-style-type: none"> • Inclusive and legitimate community engagement structures established • Supplier days in host communities facilitate local economic development • Annual workshops with community-based organisations • Public participation for environmental authorisation.
	<ul style="list-style-type: none"> • Formal reports • Issue-based meetings • Engaging through representative industry bodies at relevant parliamentary structures and campaigns • Scheduled interval meetings based on stakeholder engagement plan. 	<ul style="list-style-type: none"> • Compliance • Safety performance • Transformation • Land redistribution • Crime and poverty alleviation • Job creation • Economic development. 	<ul style="list-style-type: none"> • Accelerated transformation programme • Complying with legislation; more structured approach is improving relations at provincial and municipal levels • Paying taxes and royalties • In-country investment supporting growth in operating countries.
	<ul style="list-style-type: none"> • One-on-one, issue-based meetings • Email and website • Industry meetings • Contracts and service agreements. 	<ul style="list-style-type: none"> • Sustainability of our business • Preferential procurement • Alignment with Harmony's values, policies and practices (human rights, labour relations, safety and environmental) • Ethical conducts, bribery and corruption. 	<ul style="list-style-type: none"> • Working with suppliers of choice to diversify our supply chain • Local SMMEs integrated into supply chain.

The WGJV social licence to operate is in good standing and continues to receive support from the project impact area communities, including coastal communities. There is overwhelming support and an expectation from those communities for project-permitting delays to be expedited and addressed by the state in accordance with legislation.

The environmental permit has been issued, and included a requirement for WGJV to conduct a consultative roadshow with affected stakeholders. WGJV completed this roadshow in March 2021, focusing on Huon Gulf coastal awareness for local landowner groups in Labuta, Salamaua and Wampar. Over 2 330 people attended, with the main concerns raised being DSTP, monitoring for environmental damages and inclusive project benefits. This last issue has become more prominent.

SOCIAL AND ETHICS COMMITTEE: CHAIRPERSON’S REPORT



“By integrating the six capitals into our business strategy, we are building trust with stakeholders as we create shared value.”


Dr Simo Lushaba
Chairperson: social and ethics committee

DEAR SHAREHOLDER

Integrating the six capitals into our organisational strategy gives Harmony a compelling path to build trust with our employees and stakeholders as we grow and produce sustained outcomes.

At Harmony, good corporate citizenship and tangible acts of moral responsibility have become the way we do business. We have demonstrated our intent to a harmonious coexistence with host communities and to working collaboratively with our suppliers, communities and partners to ensure the development of healthy, inclusive communities.

Our commitment to our social contract was truly tested in the past year as Covid-19 continued to challenge the lives and livelihoods of our people. Harmony rose to the occasion and demonstrated resilience and commitment to our people, social partners and host communities. We have worked together to deliver shared value to Harmony and its shareholders, to the economies of countries where we operate, and to the people whose lives depend on our organisation. In partnership with government, we have also delivered a robust vaccination programme to our employees. I am very proud of Harmony and what it achieved this year.


 Our response to Covid-19 is detailed in this report.

We understand that implementing sound corporate governance practices to mine ethically cannot be compromised or negotiated – our licence to operate rests on legitimate and ethical leadership. Equally, the principles of sustainable development are fundamental in ensuring sustainability and profitability for our stakeholders. Accordingly, we have applied the principles of King IV with greater emphasis on ethical governance and conduct, and responsible corporate citizenship to support the sustainable growth of the company.


This committee has a specific mandate set out by the Companies Act. It is also responsible for overseeing governance and our performance in terms of our sustainable development activities.

These include ESG considerations; ethics management; stakeholder engagement; employee relations, including empowerment, transformation, employee health and wellness; environmental management and stewardship; socio-economic development and upliftment; and public health and safety. The committee also considered the inevitable trade-offs between capitals to ensure Harmony continues to create shared value.


The committee complied with its regulatory, legal and other responsibilities mandated by the board.

 For further details on the committee, its members and activities in the review period, refer to **Corporate governance** in this report.

Ethics management

The Ethics Institute of South Africa is currently assisting management and the committee to embed and further improve the governance of organisational ethics. While the governance of ethics is mandated to this committee, the board sets the group’s approach to ethics and is equally responsible and committed to the highest standards of ethical conduct throughout Harmony – see Organisational ethics in **Corporate governance** in this report. 

The impact of illegal mining on our economy and stakeholders remains a challenge in South Africa. Further partnerships and collaborations are required to develop innovative solutions to this issue. The committee continued to monitor and assess key improvement areas to address this challenge in Harmony and the industry at large.

 See **Land rehabilitation and management** in this report.

Value creation

As part of ongoing initiatives to create and share value, this committee continues to assess, review and approve the ethics policy, stakeholder engagement policy, environmental policy, employment equity and the preferential procurement policy and strategy.

Although some gaps are still being addressed, we are particularly pleased with the company's progress against short-, medium- and long-term targets.

In the review period, the committee focused on ESG issues and its oversight role. Understanding that our business may have an impact on ecosystems, we ensure that our environmental management programmes are robust and effective.

Pivotal to our environmental strategy is our climate-change and decarbonisation strategy. Since 2016, we have concentrated on using less energy, and being more efficient in how we use that energy. Through numerous initiatives, we effected a saving of 1.3 terawatt hours, translating to a 1.2-million tonne CO₂ reduction and R1 billion in electricity cost savings. We are focused on finalising our decarbonisation strategy and will release our science-based targets and net-zero emissions target in coming months.

The committee also carefully considered the company's preferential procurement strategy and enterprise supplier development in South Africa and Papua New Guinea to assess our contribution and impact in local communities. Harmony has made steady progress with its preferential procurement strategy to integrate black-owned businesses into its supply chain. We must ensure that these transformation initiatives include our communities, and Harmony has been resolute about advancing opportunities to entrepreneurs in host communities. We are grateful to our supply-chain partners who work with us to promote inclusive participation by black-owned, black women-owned and youth-owned companies. Harmony has already achieved its targets for FY25 by spending over 80% of its discretionary expenditure with companies that have more than 25% black ownership, which includes over 50% with companies that have more than 50% black ownership.

Harmony has complied with the mining charter year on year and on its SLP (social and labour plans) delivery. With the recent acquisition and integration of Mponeng mine and Mine Waste Solutions, Harmony was unable to fully deliver against SLP targets. These delays were communicated to and revised completion dates agreed with the regulator.

In addition, the committee deliberated on the improvement in the company's stakeholder engagement approach to proactively reach all levels of government and host communities in South Africa and Papua New Guinea. This stakeholder-inclusive approach focuses on reactive and proactive engagements, which positions Harmony well with its stakeholders and increases our social and reputational capital.

The successful three-year wage agreement signed in September 2021 with all five organised-labour representatives is testament to our inclusive approach. For our stakeholders, an agreement of this nature secures a stable labour force with limited business interruptions.

With this agreement in place, we can continue to focus on the wellness and safety of our employees during the pandemic and beyond. The safety and health of our workforce remains a key focal point because they are the cornerstone of Harmony's sustainability. Safety is an important consideration in terms of ESG and during board discussions. The technical committee has specific oversight of employee safety, while this committee focuses on employee health and public safety.



For more on our approach and initiatives on employee safety, see the **Chief executive's report** in our **Integrated annual report 2021** and **Safety and health** in this report.

The board, through the remuneration committee, ensures the implementation of Harmony's remuneration policies as approved by shareholders. We remunerate fairly and responsibly by ensuring

that our remuneration is market-related and in line with the performance of the company. Our safety and ESG outcomes are therefore carefully considered and reinforced in our remuneration policy.



For more detail on our remuneration policy, refer to the **Remuneration report** in our **Report to shareholders 2021**.

In FY20, we published our first report in line with recommendations of the TCFD in our suite of annual reports. The purpose of this report was to improve our risk management processes and articulate the likely financial impact of climate change on the company's balance sheet and income statement. This report was well received and we have published a similar report this year. For ten years, prior to FY20, we had submitted reports to the CDP Climate Change and CDP Water (formerly the Carbon Disclosure Project). We believe that this enhanced disclosure provides better understanding and context of the implications, financial and otherwise, for Harmony of climate change. It also facilitates the company's evolution to a low-carbon economy.



See **Environmental management and stewardship** in this report.

World Gold Council – responsible gold mining principles

The World Gold Council's responsible gold mining principles acknowledge the unique roles of gold and gold mining in many countries and communities. In South Africa especially, the gold mining industry has a unique role. These principles address key ESG issues – ten in all – and provide a single, consolidated framework of what constitutes responsible gold mining. This provides trust for consumers, investors and the downstream supply chain that the gold we produce has been responsibly mined and processed.

Harmony champions responsible mining and we believe this framework will reinforce good practices at our operations. We are therefore formally implementing the framework.

United Nations Sustainable Development Goals

As in the previous year, Harmony interrogated the individual SDGs and our contribution to achieving these goals by 2030. In this report – see **Our sustainability strategy** – we explain the goals that are central to our core business and strategy (tier 1), and those where we can contribute through our socio-economic development activities (tier 2).



For more information, see **Caring for our workforce, Empowering communities, Environmental management and stewardship** and **Safety and health** in this report.

In closing

As this is my last report as chairperson of the social and ethics committee, I wish to thank my fellow committee members and management for their support and contribution to ensuring Harmony's progress towards a sustainable future. Over the years, a concerted effort has been placed on creating value for our stakeholders, particularly our employees and the communities within which we operate.

The essence of creating value cannot be viewed in isolation as there are opportunities for Harmony to further improve to ensure that we never lose our commitment to comply with the best safety, health, environmental, social, ethical and governance standards. The board fully supports this committee in this commitment.

Dr Simo Lushaba

Chairperson: social and ethics committee

28 October 2021

ENVIRONMENT

IN LINE WITH OUR PURPOSE, WE ARE COMMITTED TO ECOLOGICALLY RESPONSIBLE MINING TO CONTRIBUTE TO A LOW-CARBON FUTURE AND LEAVE A LASTING POSITIVE LEGACY.

Mining is one of the industrial sectors with the greatest potential impact to the biophysical environment through pollution, depleting natural resources and disrupting land use and management.

At Harmony, we have long understood that environmental protection is both ethical and essential to running effective and sustainable business units.

Ecological considerations and ecosystem health are embedded in all our systems and processes from design to construction, operation, decommissioning and closure. Our responsible practices extend beyond our mine boundary to our supplier partners and our market (Rand Refinery).

We believe responsible management of natural resources and ecosystems is vital to a sustainable future for our operations, our host communities and future generations. Accordingly, we focus on:

- Efficient and effective use of water, while managing and protecting (where possible) the quality and quantity of water resources for all users as well as the health of the watershed ecosystem
- Decarbonising Harmony's energy profile as we support the orderly transition to a low-carbon future (or economy)
- Protecting and restoring, where applicable, biodiversity and ecosystems to be able to deliver the services they do
- Consolidate our mining footprints, especially minerals waste where we drive the physical and chemical stability of our landforms.



Tailings dam, Papua New Guinea.

ENVIRONMENT

Capitals affected

Directly:



Natural capital

Indirectly:



Social and relationship capital

Stakeholders affected

Host communities

Other stakeholders include non-governmental organisations and civil organisations, government and regulators.

Link to strategy



Responsible stewardship

Related risks

- Ensuring licence to operate and increasing cost of compliance
- Supply insecurity, rising cost of and continued use of fossil fuel-generated electricity in South Africa.

Related material issues

- Responsible environmental stewardship – mitigating the impacts of our mining activities
- Navigating political and regulatory uncertainty.

Governance responsibility

Social and ethics committee.

GRI standards

Prepared in accordance with: 102-10, 201-2, 301-1, 301-2, 301-3, 302-1, 302-2, 302-3, 302-4, 302-5, 303-1, 303-2, 303-3, 303-4, 303-5, 304-1, 304-2, 304-3, 304-4, 305-3, 305-4, 305-5, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5, 307-1, 308-1, 308-2, MM1, MM2, MM3 and MM10

Related SDGs



- Water efficiency programmes to optimise use
- Efficient and responsible waste management, including tailings disposal.



- Energy-efficiency programmes to optimise use and limit related emissions
- Improving energy mix with renewable and low-carbon alternatives.



- Taking all possible steps to prevent harm to the ocean and marine life from proposed deep-sea tailings placement for the Wafi-Golpu project.

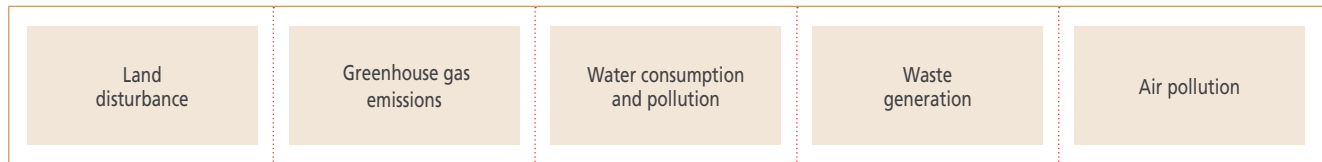


- Focused rehabilitation programme to restore land to viability post-mining
- Biodiversity action plans being developed to restore biodiversity and limit losses.

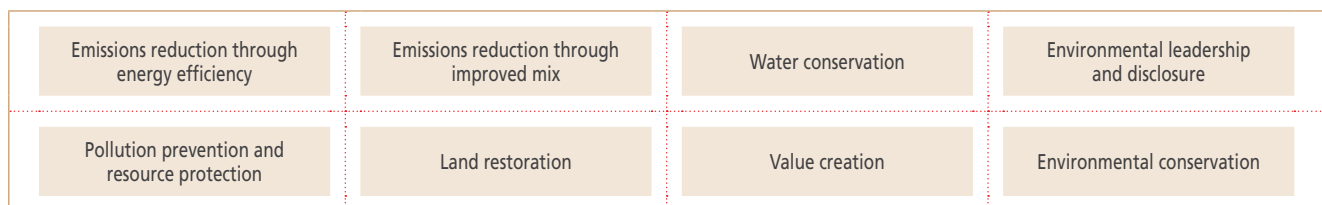
ENVIRONMENTAL MANAGEMENT AND STEWARDSHIP

Mining extracts 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.

We fully appreciate the significant impact of our activities on the natural environment and our surrounding communities. Our principal environmental impacts are:



The tenets of our environmental strategy are accordingly focused on:



Our performance FY21

We spent R281 million (US\$18 million) (FY20: R159 million or US\$10 million) on our group environmental portfolio in FY21.

Material used	FY21	FY20	FY19	FY18	FY17
Tonnes treated (000t)	49 253	25 429	25 980	22 441	19 402

Annual expenditure on our environmental portfolio

	FY21		FY20	
	Rm	US\$m	Rm	US\$m
SOUTH AFRICA				
Implementation of environmental control	198	13	64	4
Mine rehabilitation projects	49	3	62	4
Total	247	16	126	8
PAPUA NEW GUINEA				
Implementation of environmental control	34	2	32	2
HARMONY – TOTAL	281	18	159	10

Setting environmental targets

We measure and monitor our performance against group environmental targets, re-evaluated every five years. The targets against which we are currently reporting were implemented in FY18 and apply through to FY22. We are revising group aggregate targets post acquisition of Mponeng and related assets for FY22 to align with the call for net-zero emissions and to encapsulate more robust science-based targets.

Harmony remains on track to achieving most of its five-year targets by the end of FY22. Our absolute consumption for electricity and water has increased since 2017 due to the addition of Moab, Mine Waste Solutions and Mponeng operations. Despite consuming more, Harmony has noticeably improved its intensities per tonne of ore processed relative to consumption of electricity and water.

Harmony continues to initiate projects to improve energy and water efficiencies at our operations, including Mponeng and Mine Waste Solutions. Our expanded base of assets presents an opportunity to identify synergies within and between operations, which could support more aggressive reductions in the short to medium term.

ENVIRONMENTAL MANAGEMENT AND STEWARDSHIP continued

Group environmental targets

KPIs	Five-year baseline target (FY18 to FY22)		Year on year			Ten-year target (FY18 to FY27)
	Target	Cumulative actual	Target	Actual	Achieved	
Energy						
Reduce absolute electricity consumption (% MWh)	5	(57)	1	(30)	✗	7%
Electricity intensity (% kWh/tonne treated)	5	38	1	33	✓	7%
Total carbon emission intensity reduction (% tCO ₂ /tonne treated)	5	34	1	34	✓	5%
Diesel intensity (% kl/tonne treated)	2	57	0.4	50	✓	
Petrol intensity (% kl/tonne treated)	2	34	0.4	39	✓	
Energy intensity (% GJ/tonne treated)	5	39	1	34	✓	7%
Water						
Reduce water used for primary activities (% kl)	7	(67)	1.4	(54)	✗	
Water intensity (% kl/tonne treated)	7	34	1.4	21	✓	
Water recycling (% increase)	6	103	1.2	38	✓	80% recycled and zero discharge
Waste						
Non-hazardous waste recycled (% increase) ¹	10	40	2	52	✓	Zero to landfill
Land and biodiversity						
Reduce impacted land footprint (%)	3	n/a	0.6	0.03	✗	
Environmental fines (#)	0	0	0	0	✓	
Implement biodiversity action plans (%)	100	70	20	70	✓	One offset project per region

¹ Timber, steel and plastic.

KPIs measured on Harmony's consumption figures

KPI	Five-year target based on consumption (FY18 to FY22)	Year 4 – FY21			Ten-year target (FY18 to FY27)
		Target	Actual	Achieved	
Energy					
Renewable energy (% of total electricity consumption) ¹	10	2	2.7	✓	30% of energy mix
Waste					
Hydrocarbon recycling ² (% increase of total hydrocarbon consumption)	80	16	21	✓	

¹ Sources that produce electricity for Harmony's consumption. Renewable sources are based on installed capacity.

² Hydraulic oil and lubricants.

Our approach

Natural capital is one of the six capitals on which our business is based and our value measured. While mining impacts negatively on our natural capital, we believe environmental impacts caused by mining can be managed, mitigated or avoided entirely in some cases.

Our approach to environmental management and stewardship therefore aims to have the least impact feasible on the natural surroundings of our operations, and to preserve our natural capital to the fullest extent.

To achieve this, our goal is excellence in environmental performance that underpins our business strategy. We aim to conduct our mining activities and processes in a way that complies with environmental

legislation while being responsible and considerate of the environment and our communities. We seek to be a responsible steward of natural resources and the environment in areas where we operate. This is a moral imperative, but also makes good business sense: mitigating our environmental impact reduces operating costs and our exposure to risk, while supporting our long-term objective of leaving a positive post-mining legacy.

Our approach is guided by our environmental management and stewardship policy, set out in Harmony's sustainable development framework, and underpinned by specific commitments:

- Preventing pollution where feasible wherever we operate or minimising, mitigating and remediating the harmful effects of our operation on the environment
- Complying with applicable host-country environmental laws and regulations

- Promoting active partnerships with government, community, labour and non-governmental organisations for environmental protection and conservation at international, national, regional and local levels
- Continual improvement, driven by environmental management systems that focus on:
 - Setting and achieving targets that promote the efficient use of resources and reduce environmental exposure; reporting on progress to relevant internal and external stakeholders
 - Managing hazardous substances safely and responsibly
- Contributing to biodiversity protection and considering ecological values and land-use aspects in investment, operational and closure activities
- Ensuring transparent communications with our communities on environmental issues
- Ensuring integrity in the disclosure of our environmental KPIs through GRI assurance processes. For FY21, the assured group KPIs include Mponeng and Mine Waste Solutions figures for the period October 2020 to June 2021. The Mponeng and Mine Waste Solution figures were not sampled in FY21, detailed assurance work will be performed for FY22.

www.harmony.co.za/sustainability/governance#policies

Responsible stewardship: suppliers and market

Suppliers

Harmony has an extensive supply chain, and these suppliers indirectly contribute to our scope 3 greenhouse gas emissions. To comply with requirements in South Africa’s National Environmental Management Act (as amended), each supplier must therefore adhere to our environmental management policies and standards. In this way, we ensure companies in our supply chain observe laws and regulations governing water and air quality, and will use all reasonable measures to avoid polluting and degrading the environment.

We have also engaged with our top 20 suppliers on their carbon and water footprints. Our aim was to enhance understanding that their activities, combined with our mining and processing activities, generate greenhouse gas emissions and must be re-evaluated to improve processes and reduce the impact of climate change.

Market

Rand Refinery smelts, evaluates, refines and fabricates the gold we produce for investment and retail clients. Harmony has a 10% stake in Rand Refinery, and one of our executive directors serves as a non-executive director and chair of its social and ethics committee. Rand Refinery is similarly committed to improving its environmental performance and operating to a high degree of compliance. It is also committed to internationally accepted responsible-sourcing practices (specifically London Bullion Market Association’s responsible gold guidance and OECD due-diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas). The certified gold chain of custody is audited independently in line with the requirements of independent bodies and enacted legislation.

Rand Refinery is accredited under ISO 45001:2018.

Governance

Our social and ethics committee oversees Harmony’s environmental strategy and performance. The executive responsible for sustainable development motivates environmental improvement strategically at group level. General managers at each operation are accountable for annual environmental management plans that identify opportunities for improvement.

Operations are guided by technical and performance standards, incorporated into their environmental management systems and implemented in line with ISO 14001 (2015). Environmental management programmes include detailed closure plans for each operation within five years of planned closure to expedite beneficial post-mining land use and activities to ensure sustainable community livelihoods.

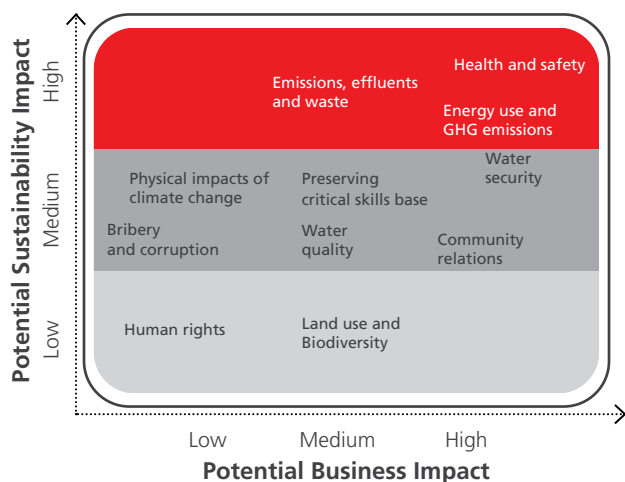
Harmony’s assets cover a spectrum from development to long-life, operational, as well as short-life operational, decommissioned and closed operations. Accordingly, we decided to ensure that all long-life assets (over five years) will be ISO certified, with short-life and decommissioned assets to be compliant, but not certified. Eleven of our South African operations are therefore ISO 14001 compliant, including Mponeng plants and Mine Waste Solutions. Unisel is not certified as it is in closure. Certification is underway for Central and Saaiplaas plants, which we expect to receive by December 2021, and Mponeng shaft will be recertified by May 2021. Improvements are noted year on year.

In Papua New Guinea, Hidden Valley’s environmental management plan is aligned with the ISO 14001(2015) standard.

Although Harmony is not a member of World Gold Council, we subscribe to global good practice and will be implementing the World Gold Council’s responsible gold mining principles where applicable to our business. We have completed the gap analysis or self-assessment (refer assurance statement on page 26) required for year 1 of the three-year certification process, with the year 2 process underway.

All new employees in South Africa and Papua New Guinea receive environmental awareness training, reinforced by leadership training courses and monthly initiatives.

Environmental risk matrix



ENVIRONMENTAL MANAGEMENT AND STEWARDSHIP continued

Our environmental risk matrix, included in our corporate risk register, underscores the importance of our natural capital and environmental management strategy. This matrix details the most significant threats to our business, employees and communities over the medium to long term.

Key among these threats is climate change, which could affect future operating costs, infrastructure requirements, operations and operating conditions, host communities and supply chain.

Material climate-related risks – which could have substantive financial impacts* – include safety (ie increasing ambient temperatures and flash flooding), regulatory changes (such as South Africa's new carbon tax regulations and the Climate Change Management Act 19 2015 in PNG), and major infrastructure incidents such as those caused by flash flooding.

** A substantive financial impact is defined as roughly R10 million, equivalent to an average loss of one day's production at a typical Harmony operation. Additionally, we estimate the impact to our business from carbon tax will be R300 million to R500 million by 2030.*

📶 For more on climate-related risks, see [TCFD report 2021](#).

Water is the primary medium through which Harmony will experience the effects of climate change, and therefore a key environmental risk. Our scenario analysis indicates water is a likely risk either from extreme storm or drought events, increased temperatures that could affect underground ambient temperatures and possible food-security risks. Water availability is also becoming less predictable, particularly in some of our operating regions in South Africa. Equally, water is a critical requirement for our growth prospects, particularly hydraulic tailings reclamation, and we are therefore acutely aware of the impact on our future mineable reserves, especially in water-scarce regions such as the Free State. Our recent acquisition of two water companies (discussed in the [Water use](#) section) adds strategic value to Harmony by limiting the impact of climate change to our business while limiting our use of water from host communities.

Land degradation is another major contributor to climate change and features in our environmental risk matrix. Land degradation generally means poorer vegetation cover which impairs the ability of fewer plants to absorb carbon dioxide, increases the likelihood of soil erosion during rain and dust storms, particularly detrimental to high arable land, and impacts biodiversity.

Legislative framework

The legislative frameworks regulating the mining industry in South Africa and Papua New Guinea remain in a state of flux, with several new and amended bills as well as draft policies before the respective parliaments. While promulgation is delayed by the pandemic, regulatory uncertainty continues in both countries, particularly management and reporting of environmental impacts in and around mining operations. A summary of the bills and their associated implications for our business is provided below.

South Africa

Financial Provision Regulations

The industry has been engaging with Department of Forestry, Fisheries and Environment on final publication of the Financial Provision Regulations for rehabilitation. The implementation of these regulations has again been deferred to June 2022 to allow for review of the recent drafted regulations. We view the recent published draft regulations as onerous to the industry, constraining growth opportunities in the sector.

Carbon tax

National Treasury published regulations for the Carbon Tax Act. These include trade exposure and performance allowances that grant Harmony the opportunity to claim up to 10% trade exposure allowance. Despite these allowances, a substantive financial impact remains, with continued uncertainty on the implementation of phase 2 where these allowances may fall away.

Papua New Guinea

While the principal environmental legislation in Papua New Guinea – the Environment Act 2000 – remains applicable, several national policy changes are being considered, with provisions for imposing additional taxes and levies on resource industries:

- Revised mine-closure policy with provision for financial assurance as security for closure costs
- Introduction of a biodiversity offsets policy, which includes a mechanism for associated payments to support national biodiversity incentives.
- In July 2020, the draft national oceans policy was endorsed. This aims to develop an integrated ocean-management system and includes considering issues associated with offshore mining and extractive industries. The extent to which the policy may be relevant to deep-sea tailings placement is presently unclear.

In January 2021, climate-change fees and charges came into effect in support of the country's Climate Change Management Act. This includes taxes on carbon in fuel products, taxes on nitrogen synthetic fertilizer (not applicable to our operations) and a green fee (departure tax applied to non-residents exiting the country).

In addition, the legal standing of new guidelines on mine closure and rehabilitation issued by the Mineral Resources Authority of Papua New Guinea in September 2019 is being assessed.

Compliance and certification in FY21

- Seven of 13 gold plants were certified as compliant with the cyanide code
- 11 operations hold ISO 14001 certification, with Unisel in closure
- Harmony recorded six reportable environmental incidents during the year – all level 3 (moderate) incidents in South Africa. Appropriate remedial action was taken in all cases (see table on the following page).

Environmental compliance

No compliance notices received in FY21 and no fines or penalties have been levied.

Papua New Guinea

An amendment to the Hidden Valley environment permit was secured in April 2021, in support of a potential mine-life extension. Conditions of the amended permit are unchanged from those previously in effect, except for an increase to permissible surface-water extraction volumes.

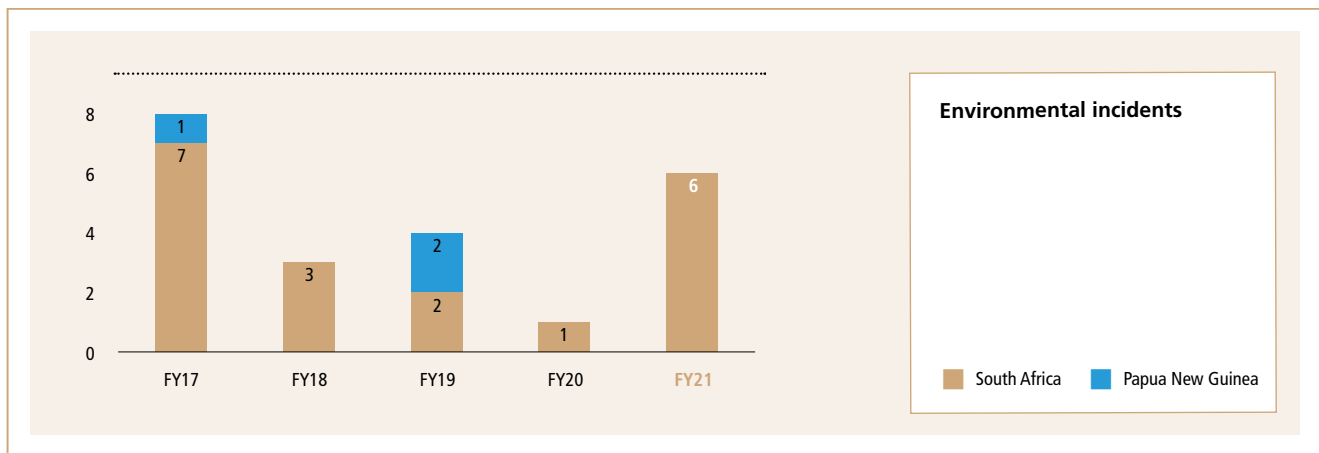
In line with a permit condition requiring that the operation routinely update its environmental management plans, the Hidden Valley environment management plan 2021-2024 was lodged with the regulator in March 2021.

Compliance activities proposed by the regulator for FY21 were deferred because of the pandemic.

Environmental incidents

Harmony reports its environmental incidents based on a risk matrix that evaluates the severity of the incident against the financial and reputational implications for the group. This matrix was updated last year to more adequately reflect the levels of severity, incident descriptions, financial and legal implications and to align to Harmony's enterprise risk matrix.

Severity level	Mitigation costs	Environmental impact	Reputation impact	Legal impact
5	> R10 million	Irreversible damage to habitat or ecosystem	International condemnation	Potential director liability
4	< R10 million	Significant impact on habitat or ecosystem	National and international concern – non-governmental organisation involved	Very significant fines or prosecutions
3	< R5 million	Longer-term impacts and ecosystem compromised	Adverse media attention – locally/nationally	Breach of legislation and likely consequences from regulator
2	< R1 million	Moderate short-term effects but not affecting ecosystem function	Unresolved local complaints and possible local media attention	Minor breach of legislation
1	< R500 000	Localised affected area of low impact	Local complaints	No major breaches of legislation



The reportable incidents in South Africa are summarised below:

Location	Incident level and description	Environmental impact
Kusasaletu	Level 3: Excessive rainfall in the catchment area caused return-water dam to overflow, resulting in contaminated water flowing into the local catchment.	We have monitored the impact at the point source and downstream and conclude that there has been no impact on the receiving environment. A marginal increase on elements monitored was noted at point source which normalised downstream.
Kusasaletu	Level 3: Pump station valve failure discharged mining-affected water into Loopspruit tributary.	We have monitored the impact at the point source and downstream and conclude that there has been no impact on the receiving environment. A marginal increase on elements monitored was noted at point source which normalised downstream.
Mine Waste Solutions	Level 3: Excessive rainfall caused run-off from Kareerand tailings storage facility that blocked outlet pipe in return-water dam, and overflowed into the Vaal River.	Our impact was monitored from point source where higher levels of sulphate and total dissolved solids were detected. However, no impact could be detected to the receiving environment. Additional containment facilities are being constructed to separate clean and dirty water.
Free State Operations – Outside Services	Level 3: Overflow of water from Freddie's 9 dam into Losdoringspruit due to burst municipal potable water pipeline.	Impacts are monitored from point sources and potential downstream users. No impact was realised between point source and downstream users. The only elements recording higher concentrations are electrical conductivity and total dissolved solids.
Masimong	Level 3: Overflow from cooling dam at 4 Shaft discharged into Blesbokpan and compromised sump draining into stormwater trenches.	On-shaft fissure water discharged into a local pan, contributing to increased water levels already present from municipal effluent discharge. No water-quality impact was realised. Associated mitigation includes increased monitoring and sealing pipelines.
Saaiplaas plant	Level 3: An incident was recorded at Saaiplaas plant's reclamation pipeline from its reclamation tailings facility. A pipeline ruptured and spilled tailings onto a private landowner's property. The pipeline has been replaced and spilled tailings returned to the relevant reclamation site.	An area of 10.5 hectares contaminated by tailings on private property. The impact has been cleaned and no water resources were impacted. Relevant pipelines were replaced.

LAND REHABILITATION AND MANAGEMENT

We are custodians of the land we disturb and manage. As such, we keenly understand that some aspects of our operations – particularly open-pit mining, waste and tailings deposition, and constructing physical structures – alter the landscape permanently. Once mining ends, it is vital that we rehabilitate the land to effective and appropriate post-mining use. Our aim is to create value from this land through initiatives with a positive impact such as enhanced conservation or commercial socio-economic enterprises.

South Africa

The goal of our rehabilitation strategy in South Africa is to reduce our environmental footprint through concurrent and final rehabilitation. In this way, we meet the commitments in our environmental management programme, reduce our environmental liability and mitigate the risk of illegal mining activities. The necessary rehabilitation funding mechanisms are in place and, where feasible, infrastructure is refurbished for alternative use.

Our focus areas include rehabilitating decommissioned shafts linked to ingress by illegal miners, rehabilitating tailings dams and reclaiming waste-rock dumps.

Rehabilitating decommissioned shafts

We began rehabilitating our decommissioned shafts and hostels ten years ago to mitigate and manage illegal mining and its associated impacts. Since then, we have demolished 50 shafts and rehabilitated some old plant footprints. By FY21, we had rehabilitated and secured all our high-risk decommissioned sites, with Brand 5 completed in December 2020. This programme has largely been successful in controlling the scourge of illegal mining in the Free State.

Our focus has now shifted to consolidating our broader footprints. This includes demolishing and clearing defunct ancillary service infrastructure supporting historical mining operations like training centres, offices, etc. In the past two years, we have completed 15 active rehabilitation sites.

In addition, we are rehabilitating land surrounding these decommissioned shafts. In FY21, we rehabilitated 4.46ha of land and have some 13 923ha still to address. Total land under management is 95 255ha. Land under our management has increased with the inclusion of Mponeng and Mine Waste Solutions operations.

Rehabilitation strategy

Last year, with specialist assistance, we developed and began implementing a new rehabilitation strategy to achieve a step-change in our approach to the group rehabilitation programme. Our main objectives include:

- Using land for carbon removal and offsets and biodiversity conservation where feasible, and, in other cases, to cultivate food to support food security
- Managing vegetation planted so that these ecosystems are restored to proper function
- Promoting job creation, environmental skills development and conservation capacity for youth and women
- To enable communities to be involved in the greening and future of their environment.

Rehabilitation and socio-economic development

By rehabilitating and reclaiming land, tailings dams and waste-rock dumps, we integrate our imperatives of environmental stewardship and socio-economic development. Over many years, we have worked with local entrepreneurs and communities to create sustainable aggregate and construction-materials businesses from our waste-rock dumps. In line with our principle of shared ownership, we recently donated waste dumps that contain recoverable gold in commercial quantities to local communities. We also provide technical resources and financial support to enable artisanal small miners from these communities to build viable businesses. Importantly, this includes access to group processing facilities. We have taken a responsible approach to these initiatives by conducting extensive due-diligence on our community partners and instituting safeguards to protect them from the pressure that could be exerted by criminal groups involved in illegal mining. We have found that the success rate of these new small businesses rises significantly when we are closely engaged and focused on building capacity, particularly in technical and financial aspects.

It remains incumbent on us to contain our impacted footprint and seek responsible practices for avoiding, mitigating and remediating negative impacts, as we aim to create positive benefits for healthy ecosystems and societies. The rehabilitation programme has already created some 200 jobs and supported the development of numerous local small businesses. The next phase in the strategy is to use mine-impacted land to support the agribusiness sector, both for small-scale and commercial production.

Other socio-economic development projects underway on rehabilitated land include:

- The labour-intensive alien and invasive vegetation removal project near Kusasaletu and Doornkop. This project, started in 2016 at Kusasaletu, is rolling out in phases.
- Establishing commercially viable agricultural projects as well as subsistence agriculture in Gauteng, Carletonville and Matlosana.

📄 See **Empowering communities** for details.






Reclamation of waste-rock dumps is progressing well at Kusasaletu, Doornkop, Moab and several sites in our Free State operations. As waste rock is considered a resource by the aggregate industry, an SMME is operating in the Free State. Additionally we are attempting to support and assist a junior and local community grouping to participate in this sector. This approach is growing in Welkom and initiatives are being finalised in Klerksdorp.

📄 See waste rock under **Tailings and waste management – Mineral waste** section for details

Finally, a feasibility study is underway to determine the viability of repurposing old mine-site buildings for alternative accommodation facilities for our host communities. The feasibility is due for completion by March 2022.

Rehabilitation Strategy



<p>Responsible Stewardship </p> <ul style="list-style-type: none"> Responsible management of environmental impacts are a priority <ul style="list-style-type: none"> Demolition and rehabilitation of mining impacts Carbon sink/offsets Biodiversity offsets To enhance socio-economic benefits to host communities through holistic closure planning Strive in creating and sharing value through various resource inputs – human, financial, natural, manufactured and social and relationship capitals Responsibility to host communities extends beyond provisions of direct employment Adoption of Sustainability Development Goals.  	<p>Alternative Energy Mix Climate Mitigation </p> <ul style="list-style-type: none"> Utilising alternative energy, reducing carbon emissions Planting of vegetation to create carbon sink Selection of trees that have high-density wood. 	<p>Final Land Use </p> <ul style="list-style-type: none"> Link to Agribusiness Woodlots Honeybees Indigenous nursery Composting Products branded "In Harmony with Nature".   
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<p>Socio-economic benefits </p> <ul style="list-style-type: none"> Preferential/local procurement Social licence to operate corporate citizenship Enterprise and supplier development <p>Socio-economic development focused on</p> <ul style="list-style-type: none"> Uplifting communities Infrastructure Agriculture Educating, upskilling and enabling youth.    	<p>Vegetation management </p>      
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LAND REHABILITATION AND MANAGEMENT continued

Land rehabilitation liability

After recent acquisitions, Harmony’s land rehabilitation liabilities increased to R6.9 billion in FY21. This liability is carried on Harmony’s balance sheet. Where funding is required as per DMRE regulations, Harmony has fully covered its liabilities for South African operations.

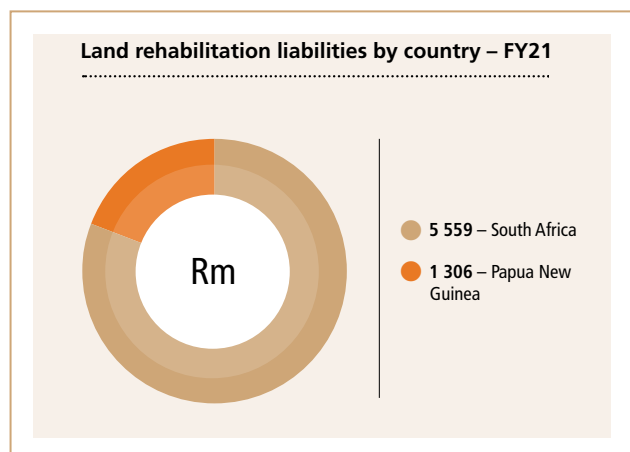
Our rehabilitation programme continued in the review period, with a further 4.46ha rehabilitated. This area covers two plant footprints, decommissioned and closed shafts as well as one hostel. We have planned to rehabilitate an area of 117ha in the next financial year, while an area of around 1 132ha is currently available for rehabilitation. Our rehabilitation initiatives in FY21 were affected by Covid-19 restrictions. Once lockdown levels were progressively eased, Harmony focused on ensuring that all employees and contractors involved at production shafts and gold plants be brought back first to generate revenue. Services such as those by our rehabilitation department were thus delayed. One further contributing factor to a smaller rehabilitation footprint was the emphasis on sealing and capping shaft barrels for safety purposes and to retard illegal mining access.

Land rehabilitation liabilities (Rm)

Rm	FY21	FY20	FY19	FY18	FY17
South Africa	5 559 ¹	3 038	2 884	2 919 ²	2 180
Papua New Guinea	1 306	1 228	1 039	1 336	1 391
Group	6 865	4 226	3 923	4 255	3 571
Total US\$m	438	244	278	308	166

¹ Following acquisition of Mponeng and related assets.

² Following acquisition of Moab Khotsoang operation.



Mining requires enormous effort and various natural-capital inputs. In FY21, Harmony mined 60 million tonnes of rock – of which 49 million tonnes was ore – to produce 47 775 kilograms of gold.

📄 See [ESG data tables](#) for more statistics.

📶 Refer to the [Form 20-F](#) for further detail on Risks and liabilities.

Papua New Guinea

As our projects in Papua New Guinea are either in production or exploration stages, most disturbed areas remain active. We undertake progressive rehabilitation where possible at Hidden Valley to stabilise exposed areas to prevent ground movement near critical infrastructure and limit off-site sediment transport.

CLIMATE CHANGE, ENERGY AND EMISSIONS MANAGEMENT

Energy consumption is a significant financial and environmental concern for Harmony:

- Mining and extractive processes are highly energy-intensive, with a considerable impact on our operating costs. In South Africa, electricity accounts for around 18% of our operating costs. To contextualise, the utility's latest increase added R750 million to our operating cost
- The energy we consume is mostly generated by fossil fuels, a contributing factor to climate change.

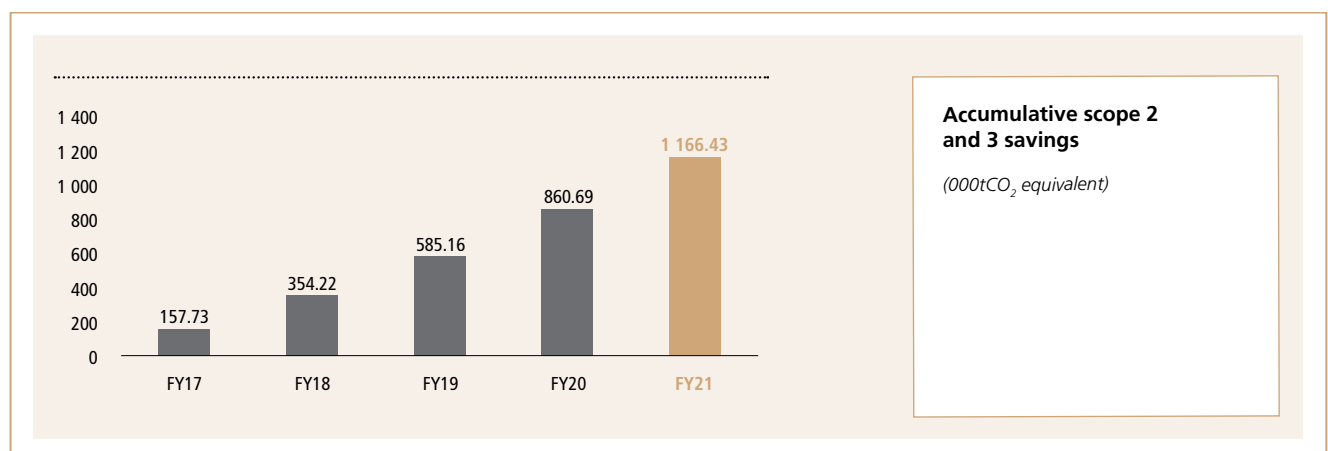
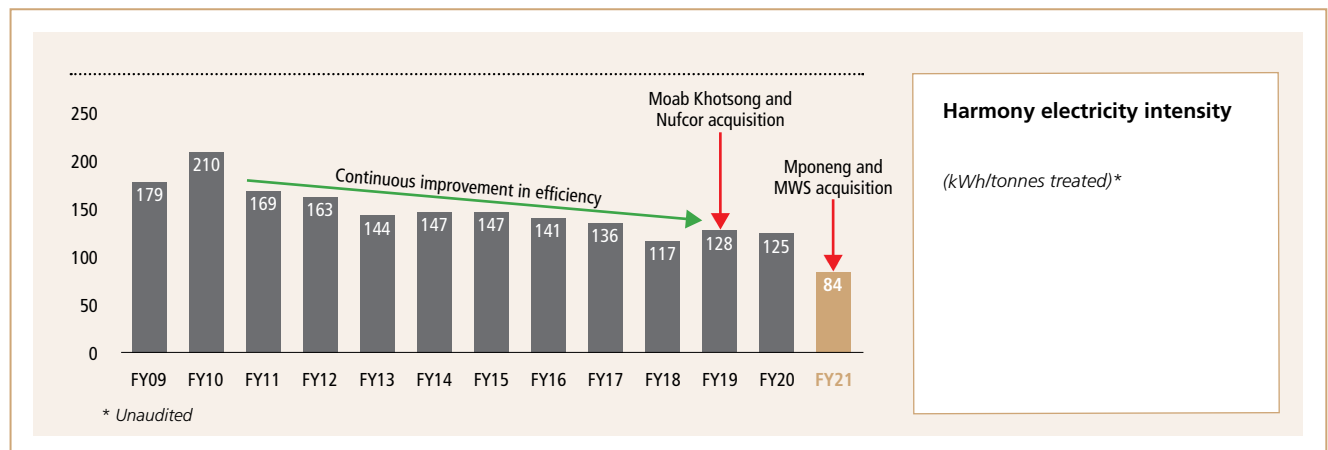
Accordingly, our policy on energy efficiency and climate-change mitigation has been revised, based on key commitments:

- Optimising the consumption of electrical energy and carbon resources to enhance efficiency in our operations while identifying opportunities to improve the energy mix in the group
- Improving energy efficiency through effective energy-management programmes that support mining operations while providing a safe and healthy work environment
- Promoting efficient use of renewable and non-renewable carbon resources

- Reducing greenhouse gas emissions, measuring progress and reporting results
- Developing appropriate responses to climate change by way of adaptation and mitigation
- Encouraging continuous energy conservation by employees in their work and personal activities
- Engaging government in developing policies and strategies to address energy efficiency and greenhouse gas reduction.

Driven by these commitments, we have reduced our intensity use by 28% over the past six years. Harmony's energy-efficiency journey dates back as far as 2004 where we were the first mining company in South Africa to participate in government-funded demand-management programmes. Since, Harmony's efforts intensified year on year to continuously mitigate ever-growing electricity costs and reduce its carbon footprint. The graph below illustrates the benefits of our energy-management programme, supported by our service provider engineering company, ETA Operations. Since 2016, we have saved R1 billion in energy costs and, equally important, reduced CO₂ emissions by 1.2 million tons.

As illustrated below, the acquisition of Mponeng and related assets has had a significant positive impact on our climate-change performance. While Mponeng is a deep-level mine, Mine Waste Solutions is a high-volume surface-tailings retreatment operation, which is less energy-intensive and helps to eliminate and process surface sources. The combined result is a safer and more efficient Harmony with an expanded base of assets.



CLIMATE CHANGE, ENERGY AND EMISSIONS MANAGEMENT

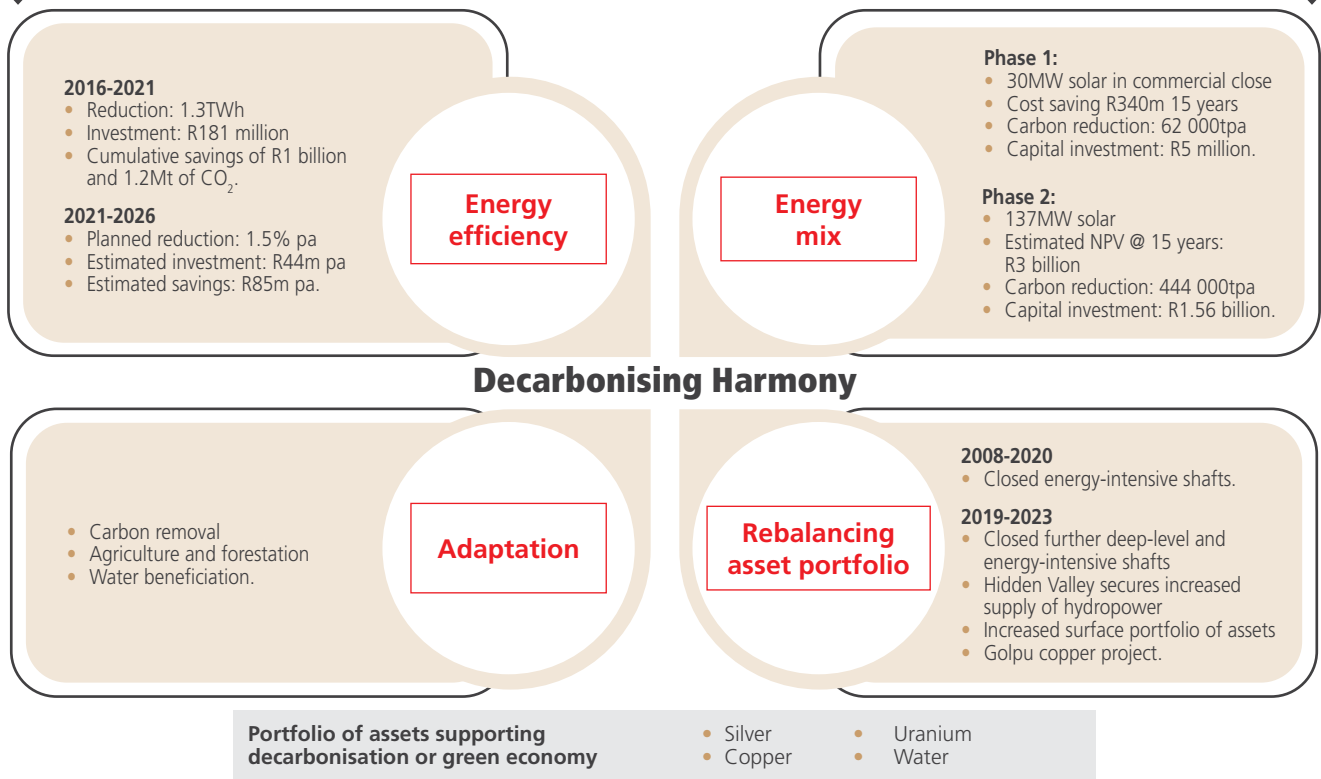
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Decarbonising Harmony

Harmony is a socially and ecologically conscious miner. We understand that our portfolio of assets is characterised by high energy use and will remain so, given our future deepening projects. We are therefore focused on transforming these assets into low-carbon consumers. In South Africa, there is both a financial and stewardship benefit to diversifying our energy mix. Our approach has multiple prongs:

- Diversifying our portfolio of assets – the process of acquiring and advancing our surface-reclamation programme is intended to produce ounces at lower energy-intensity factors. Similarly, within our asset base, we have a growing low-carbon portfolio of metals and minerals. In Papua New Guinea, copper is our primary product. Silver and uranium will be assets which will also support our decarbonisation strategy
- We are decommissioning energy-intensive and low-margin assets to avoid generating high emissions for low returns
- We are driving efficiency programmes
- We are enhancing our portfolio mix, with a strong pipeline of renewable and low carbon energy sources over the next two years supporting decarbonisation. At present, 137MW of additional renewable energy is in the process of being licensed, we are exploring options for liquified natural gas or syngas and we are testing market for wheeling in wind to our long-life assets.

Our progress on specific focus areas over the past decade and plans for the next five years are summarised below.



With most operations running at full capacity for the bulk of FY21, we made further progress with our energy-saving initiatives, detailed by country overleaf.

Electricity consumption

000MWh	FY21	FY20	FY19	FY18	FY17
South Africa	4 020 ¹	3 051	3 209 ³	2 458	2 538
Papua New Guinea	103	120	131 ²	90 ⁴	90
Total	4 123	3 171	3 340	2 548	2 628
Consumption intensity (MWh/tonne treated)	0.08	0.12	0.12	0.11	0.14

¹ Acquisition of Mponeng and related assets.

² Includes diesel consumption used to produce electricity (13 900MWh).

³ Reflects acquisition of Moab Khotsong.

⁴ Full-year production although plant was idle during planned shutdown.

Energy consumption (000MWh)

	FY21 ¹	FY20	FY19	FY18	FY17
Group electricity	4 123	3 171	3 340	2 548	2 628
Group diesel	448	462	488	486	410
Group other sources (petrol and heating oil)	59.72	4.54	4.71	3.48	3.24
Total group	4 631	3 637	3 820	3 007	3 004
Energy consumption intensity (MWh/t treated)	0.09	0.14	0.15	0.13	0.15

¹ Includes the acquisition of Mponeng and related assets.

Climate change

In line with global best practice, we have again produced a separate report on our carbon-related performance, and associated risks, concerns and opportunities. This report is aligned with the Task Force on Climate-related Financial Disclosures (TCFD) and available on our website www.harmony.co.za. It focuses on four key areas – governance, strategy, risk management, and metrics and targets (in prior years, we reported against CDP climate change).

In line with the principles and requirements of TCFD, the South African carbon tax and related updates from National Treasury have been incorporated into our financial modelling to enhance our understanding of the likely impact on our business. We have also included carbon pricing in our strategic and operational plans.

We have a good understanding of the tax's regulatory risks and financial and operational implications. Given our initial view that the tax could compromise the longevity (life-of-mine) of our assets, we commissioned a scenario-planning assessment to aid understanding of the implications for each of our three operating regions in South Africa and Papua New Guinea. Harmony has done extensive scenario planning exercises to internalise the impact of climate change on our business. We have ensured that we put in place the appropriate mitigation measures so that the residual risks are tolerable. In terms of physical risks, our acquisition of Covalent Water and Margaret Water will ensure that water security is de-risked and this will aid in managing any potential rise in shaft temperatures.

In terms of transitional risks, we have used carbon pricing to evaluate the economic impact on our business and to inform measures to make sure we are profitable and sustainable in the future. Renewables remain a substantial focus in the short and medium term. Harmony is well positioned to support the transition to a clean energy future through its copper and silver output which is necessary for global renewable electrification and transportation.

South Africa

In South Africa, Harmony consumes energy as electricity purchased from the state-owned power utility, Eskom, and generated by coal-fired power stations. From 2007 to 2021, electricity tariffs increased by 753%, while inflation over this period was 134%. Thus, electricity tariffs increased over fivefold in real money terms in 14 years. The 2021 increase was 15.06%, which translates to around R750 million in additional operating costs. Our dual focus therefore is to decrease electricity consumption and reduce our dependence on Eskom's fossil-fuel generated power.

Renewable energy

We welcomed the president's announcement in June 2021 of a 100MW cap for embedded generation, effectively doubling the amount of energy our industry can generate for self-use. We are exploring a number of self-generation renewable energy options,

including solar projects. We plan to bring the first 30MW of solar power into production in early 2022, while we progress a pipeline of projects for a further 137MW. The environmental authorisation process for this additional self-generated power will begin during this financial year.

Energy-efficiency initiatives

While renewable energy will go some way in reducing our dependence on fossil fuels, we are keenly aware of the need to be far more efficient in consuming energy. Our energy-efficiency initiatives focus on mine cooling, compressed air, water management and ventilation. Total savings from these initiatives were R309 million for FY21, of which R50 million originated from new projects (difference reflects ongoing savings from earlier projects). To date, we have implemented over 200 energy-efficiency initiatives at our operations, generating cumulative savings of around R1 billion.

CLIMATE CHANGE, ENERGY AND EMISSIONS MANAGEMENT

continued

Energy-management projects producing the most significant annual savings include:

FY21 ENERGY SAVING PROJECTS			
Operation	Project description	Description	Annual cost savings
Kusasaletu	Water jets optimisation	Upgrading existing water jets to an automatic shut-off system when the units are not in use.	R11 700 000
Moab Khotsong	IGVs on main fans	Installation of inlet guide vanes (IGVs) on main fans to optimise ventilation supply.	R7 200 000
Great Nologwa	IGVs on main fans	Installation of IGVs on main fans to optimise ventilation supply.	R2 900 000
Doornkop	DK1 main vent fan VSD installation	Installation of a variable speed drive on DK1 main fan to optimise ventilation supply.	R3 700 000
Masimong	Ventilation sealing plan	Sealing off inactive mining areas to stop one of the main fans.	R4 000 000
Joel	IGVs control on main fans	Optimise ventilation supply in winter months.	R1 800 000
	Compressor setpoint optimisation	Reduced compressor pressure setpoint during off-peak mining periods.	R800 000
Phakisa and Nyala	Optimise compressor control	Optimise compressor control based on demand requirements.	R7 300 000
	IGVs on main fans	Installation of IGVs on main fans to optimise ventilation supply.	R3 300 000
Bambanani	Optimise control of refrigeration units	Time-of-use control on refrigeration units. Load shifts on refrigeration units without influencing service delivery.	R2 800 000
	Optimise compressor control	Optimise compressor control based on demand requirements.	R800 000

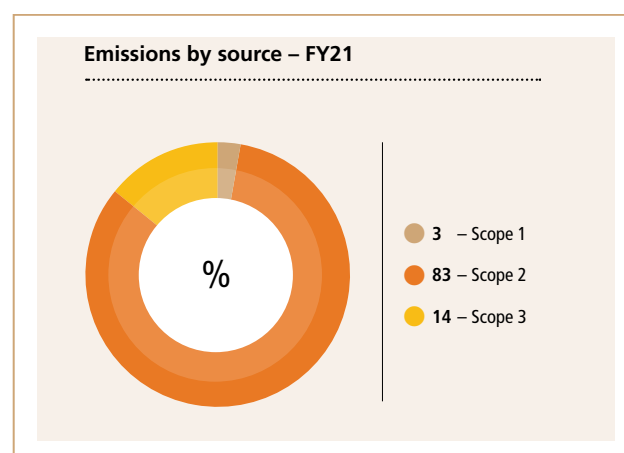
Papua New Guinea

The Hidden Valley operation is less energy-intensive than those in South Africa and draws its power from the country's Ramu grid, which is predominately generated by hydropower (some 70%). Given the reliability of the grid supply, site-based diesel generators are used as back-up. Power options for the Wafi-Golpu project, including renewable energy, continue to be assessed.

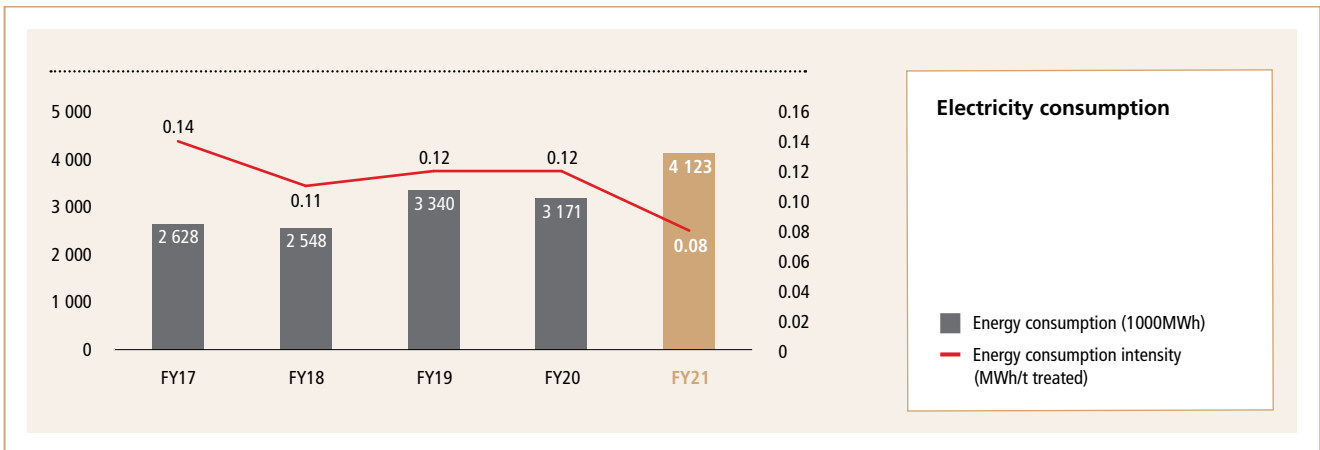
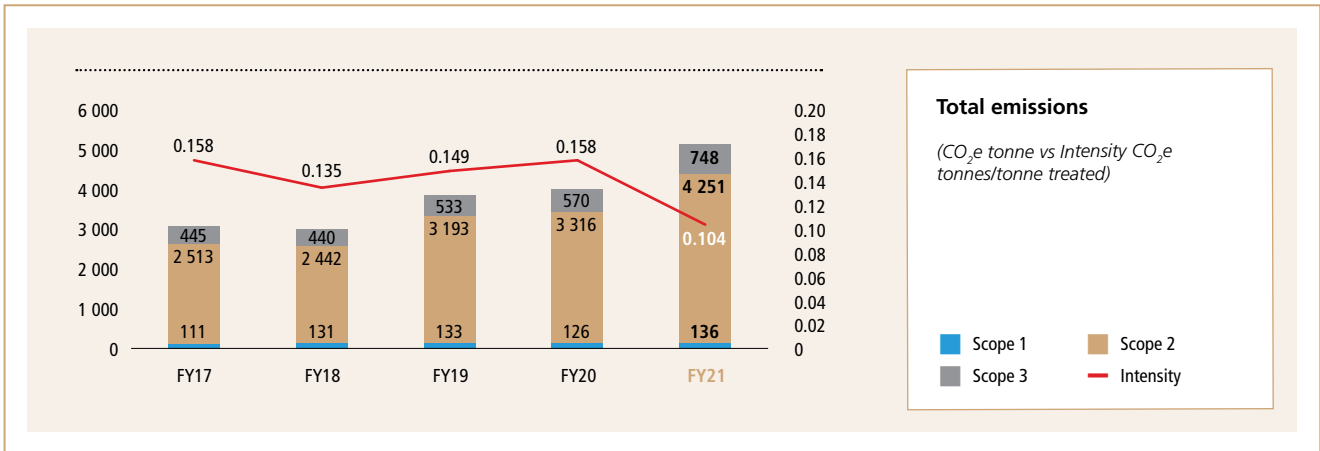
The proportion of grid power used in FY21 was 78% (FY20: 88%) and 22% diesel-generated electricity.

Performance in FY21

📄 See [ESG data tables](#) for more statistics.



Scope 2 emissions account for the bulk of our emissions. This is aligned with energy consumption in South Africa, where electricity is sourced from Eskom.



WATER USE

Water is a critical natural resource in our mining and processing activities, and as potable water for our employees and communities. Harmony deals with the twin challenges of South Africa being a severely water-stressed region, while Papua New Guinea has a tropical climate, characterised by high rainfall.

Optimising use, limiting our impacts

Our water consumption could have an impact on the environment and communities around our operations with whom we share this resource. As such, managing and mitigating our impacts on water-catchment areas – by ensuring we do not degrade the quality or reduce the volume of water in surrounding areas – is crucial to maintaining our social licence to operate.

The group approach is guided by our water management policy. However, given that our operations face drastically different climatic conditions, water-management strategies are adapted to the characteristics and requirements of each mine.

Our overarching objective is to conserve this natural resource by improving our water efficiencies through reuse and recycling. If we need to return water to source, we aim to ensure it is treated and discharged responsibly into the receiving environment. We also operate to comply with all relevant legislation in our host countries.

South Africa

Water in South Africa is a scarce resource. Our water management strategy articulates our commitment to climate-change mitigation and adaptation at a strategic level. It supports water conservation and demand management, including optimising supply in regions to secure supply during a protracted drought and for the sustainable development of businesses and relevant host communities. We have implemented a campaign to reuse process water while increasing the amount of water recycled. This enables us to maintain or improve our water-use intensity. Conservation of potable water is a priority, particularly after the recent drought experience and likely drought patterns in future. More detail is available in our CDP water submission [<https://www.har.co.za/21/download/HAR-WDR21.pdf>].

At many of our underground operations, we intercept the aquifer to generate fissure water, which we treat and use to free up freshwater supplies for other users. At these operations, we maximise the use of underground water by treating it to meet quality standards and then using it in our operations, in line with our aspiration of zero discharge.

At Kalgold in particular, given the scarcity of water in that region, its availability is critical to business continuity and operational growth. We therefore ensure that what we use does not impact upstream and downstream users. To help protect and preserve this water resource, we engage with stakeholders, upstream and downstream, as well as the relevant regulators.

In recent years, we have constructed three water-treatment plants that assist in securing water for operations, while reducing consumption and supporting water-conservation initiatives. These plants deliver dual benefits: reducing our consumption of potable water and recycling much of our own fissure water, while saving costs for the operation. The model works so well that we are considering the feasibility of an additional plant in the Free State while work has started on plants in Orkney and Carletonville.

After recent acquisitions, we have operational control of Covalent Water, which is a valuable addition to our portfolio as it opens significant opportunities to beneficiate and commercialise this scarce resource. Covalent was established to operate, maintain and manage dewatering operations from adjacent historical mine voids. The two shafts discharge on average 20ML per day into the nearby Wonderfontein spruit or stream, and operate under an existing directive issued by the Department of Water and Sanitation. All water quality meets relevant discharge requirements for livestock standards. With the physical impacts of climate change posing potential threats to water security in South Africa, Covalent and Margaret Water become strategic assets for community upliftment as well as operational growth and development. For more information refer to our CDP water submission.

As many of our orebodies are contiguous, those mines operate in the same catchment area. Combined with the scarcity of water, this warrants a collaborative, coordinated approach to effective regional water management. Harmony participates in several inter- and multidisciplinary regional catchment management agencies, including the Far West Rand technical working group, KOSH (Klerksdorp, Orkney, Stilfontein and Hartbeesfontein) mine water forum and the Free State government task team. We are also represented on the board of the Margaret Water Company in Orkney, in partnership with Village Main Reef, to manage the KOSH water basin. In the western basin, Harmony and Sibanye-Stillwater collaborate on the latter's Cooke shafts-closure programme to ensure the sealing programme inhibits water ingress into our Doornkop operation.

Kusasaletu is the only local operation currently discharging water, although several operations have approval to discharge. While the mine is striving to achieve zero discharge, its discharges at present average 1.5ML per day of fissure water.

The Margaret Water Company, managed by Harmony, pumps an average 18ML per day, most of which is recycled into the Moab Khotsoeng and Mines Waste Solutions reticulation circuit. The average volume of water discharged by this company in FY21 was 1.5ML per day. This discharge of high-quality dolomitic water has had a positive influence on the Vaal River by contributing a resource to local farmers with the added benefit of improving water quality for downstream users.

WATER USE CATEGORISED BY WATER QUALITY (MI)

		FY21	FY20	FY19	FY18	FY17
Water withdrawal						
Potable water from external sources	Fresh water	19 468	14 576	15 933	12 646	12 468
	Other water	–	–	–	–	–
Surface water	Fresh water	2 695	2 570	3 252	1 359	1 437
	Other water	89	118	798	673	3 426
Groundwater	Fresh water	218	191	337	234	281
	Other water	7 836	2 238	2 838	561	494
Water discharged						
Surface source	Fresh water	295	308	302	301	404
	Other water	2 485	2 777	2 097	2 350	1 549

WATER USE CATEGORISED BY WATER-STRESS AREAS (MI)¹

		FY21	FY20	FY19	FY18	FY17
Water withdrawal						
Potable water from external sources	Arid and low water use	–	–	–	–	–
	Low	13 669	11 289	12 597	284	9 558
	Low-medium	716	601	177	9 826	860
	High	5 083	2 686	3 159	2 536	2 050
Surface water	Arid and low water use	89	113	207	94	62
	Low	2 695	2 575	3 843	1 938	4 801
	Low-medium	–	–	–	–	–
	High	–	–	–	–	–
Groundwater	Arid and low water use	178	194	376	230	330
	Low	7 789	2 120	2 642	437	342
	Low-medium	71	64	89	61	88
	High	16	52	68	68	15
Water discharged						
Surface water	Arid and low water use	–	–	–	–	–
	Low	2 624	2 929	2 244	2 496	1 695
	Low-medium	–	–	–	–	–
	High	156	156	156	156	259

¹ Water-stress areas are classified using the WRI Aqueduct Water Risk Atlas.

WATER COMPANIES' WATER USE (MI)

		FY21	FY20	FY19	FY18	FY17
Water sold	Covalent	37	N/A	N/A	N/A	N/A
	Margaret ¹	4 020	3 231	3 100	N/A	N/A
Water pumped	Covalent	6 848	N/A	N/A	N/A	N/A
	Margaret ¹	5 447	4 339	3 684	N/A	N/A
Water discharged to surface source	Covalent	6 811	N/A	N/A	N/A	N/A
	Margaret ¹	1 072	737	584	N/A	N/A

¹ Harmony has a 66% share in Margaret Water Company.

Water-stress areas have been based on the World Resources Institute that has developed an aqueduct tool to determine relevant water-related risks through a water-risk atlas. Baseline water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and non-consumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users.

WATER USE continued

Papua New Guinea

The characteristics of the Hidden Valley operation – steep surrounding topography, high rainfall and low levels of evaporation – results in a year-round positive water balance. This presents significant environmental challenges for Harmony, particularly managing the near-continuous discharge of water from the mine site into the surrounding environment. Accordingly, we adopt several management approaches, including:

- Controlled run-off of rainfall to prevent erosion and sediment entering the river system
- Recycling site water to limit volumes of water stored on the tailings storage facility and requiring treatment and release to the environment
- Treating wastewater prior to discharge.

Water discharge

In FY21, 97% of the raw water required by Hidden Valley was drawn from Pihema Creek for the process plant and related activities. Process-water recycling is prioritised to limit volumes extracted from the surface environment, as far as practical. Wastewater is treated at a cyanide detoxification plant next to the tailings storage facility. This treated water is then responsibly discharged to the receiving environment either at Pihema Creek or Upper Watut River. Compliance is monitored at a point some 18km downstream of the discharge, in line with the operation’s environment permit.

Monitoring at this compliance point continued to detect low-level exceedances of water-quality criteria for dissolved (soluble) manganese in FY21. The operation’s waste-rock dumps are understood to be the primary source of soluble manganese loads from the mine to the Upper Watut River.

Despite the toxicity of manganese and downstream uses of the receiving river system, the ecological and human-health risk of these exceedances is considered low. Although there is low risk of impact, Harmony takes this non-compliance very seriously and continues to provide water to downstream users and monitor impacts. We also continue to look for opportunities in our treatment options to improve water quality to inform the evaluation of short, medium and long-term response strategies to address and mitigate this risk.

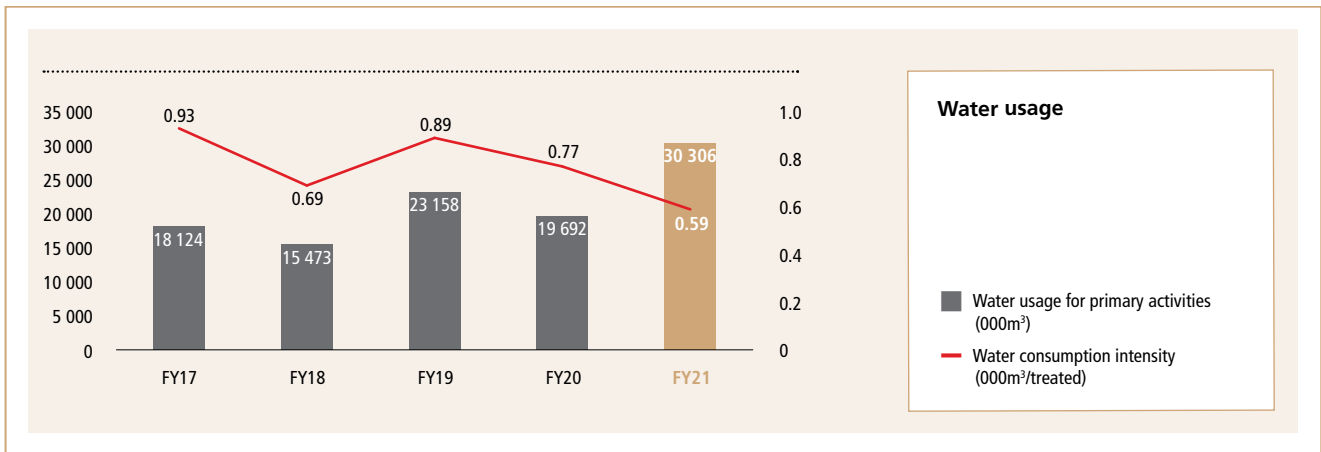
We routinely provide updates to the regulator outlining the ongoing monitoring programme and results, ongoing investigations and potential remedial actions.

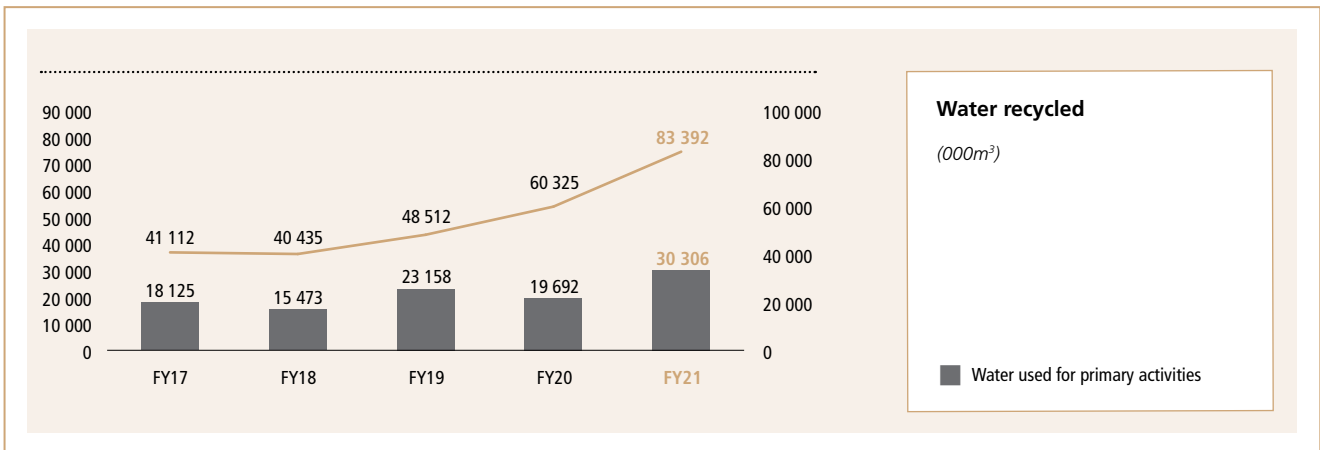
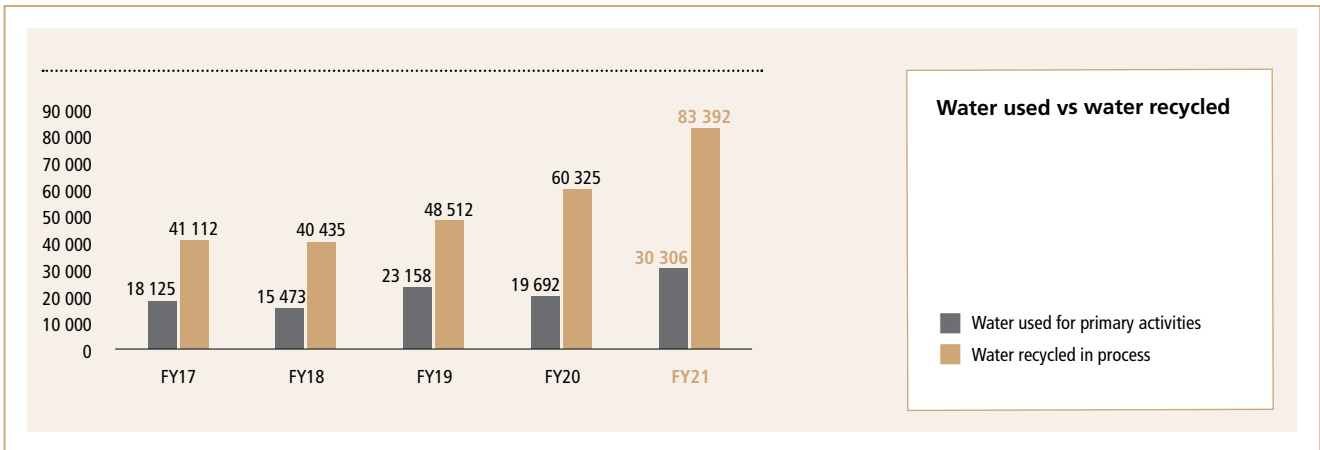
Despite these exceedances, an independent review by Australia-based consultants of the issue concluded that Hidden Valley’s acid and metalliferous drainage management plan and waste-rock dumping strategy has successfully restricted oxygen resupply to sulfidic mine waste and the release of most soluble metals to the receiving environment. All other metals remained below their respective water-quality criteria in the reporting period.

Discharge of mine-related sediment into the Watut River drainage system has steadily reduced over the past five years, with ongoing focus on erosion control and sediment management.

Performance in FY21

📄 See [ESG data tables](#) for more statistics.





Mine Waste Solutions plant.

TAILINGS AND WASTE MANAGEMENT

Tailings management

There has been a global spotlight on tailings management in recent years, underscoring the broader impact of mining activity. As an industry, we recognise the potential harm to communities and the environment that could be caused by tailings waste and pollutants. This is a serious business risk that affects many capitals, but particularly intellectual and financial in terms of potential reputational and financial damages.

We manage 85 tailings storage facilities in South Africa and one in Papua New Guinea:

- South Africa: 24 operational facilities, ten re-mining facilities and 51 dormant and inactive facilities
- 19 of our operational facilities are constructed using upstream deposition which incorporates day wall and basin deposition, while five are constructed via upstream cyclone deposition
- Papua New Guinea: our Hidden Valley operation comprises a downstream build with two cross-valley embankments forming the dam for tailings.

Robust and meticulous engineering and dam design, along with a continual focus on managing risks as well as layered assurance and oversight, ensures sustainable integrity, stability, environmental and legal compliance for our facilities. These are all in good standing as 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 DMRE
- Quarterly reports by accredited consulting engineers in South Africa and Papua New Guinea.

Global standard on tailings management

The Global Industry Standard on Tailings Management was published in 2019. Underpinned by an integrated approach to tailings management, the standard aims to prevent catastrophic failure and enhance the safety of our doorstep communities.

Harmony has always enforced exemplary standards in the design, engineering, operation and decommissioning of tailings dams. In addition, controls are dictated by the eco-terrain in which we operate. After reviewing the standard, we are implementing those aspects that augment our existing protocols for heightened protection. Harmony will revisit full implementation of the standards once the supporting guidelines are issued.

South Africa

Our aim is to keep our 85 facilities safe and stable by understanding the mechanism of tailings dam failure – with a range of contributing man-made and environmental factors – and implementing measures to avoid failure. The status of each facility (operational, re-mined or dormant) determines the management strategy. Regular inspections are conducted at all facilities. For those that are operational and being re-mined, daily inspections facilitate proactive management. Engineering reports are available on our corporate website at <https://www.harmony.co.za/responsibility/environment/tailings-management>. International Mining Industry Underwriters has undertaken audits and confirmed in terms of its insurability rating matrix, that all Harmony's operations (including its tailings facilities) largely fall in the category of low to moderate risk. No high-risk tailings facilities were identified.

Tailings dam failure mechanisms

Overtopping	Slope failure	Foundation failure	Progressive failure	Liquefaction	Operational status
<ul style="list-style-type: none"> • Lack of freeboard • Penstock status • Basin shape/profile. 	<ul style="list-style-type: none"> • Lack of freeboard • Penstock status • Basin shape/profile. 		<ul style="list-style-type: none"> • Seepage and sloughing • Erosion. 	<ul style="list-style-type: none"> • Seismic events • Pore water • Pressure. 	<ul style="list-style-type: none"> • Infrastructure management • Controlled/authorised deposition.

An independent audit of Harmony's tailings management in 2021 found that all our South African operations satisfied the country's legal requirements. In most cases, our standards exceed legal requirements and the extent of our surveillance and investigative work was noted as comparable to international standards. Remedial action closed out three areas of concern identified in the independent quarterly inspections:

- **Target 1:** instability on northern flank of the tailings storage facility. Remedial action involved constructing a buttress – completed in May 2020
- **Free State South 8:** given instability on the tailings storage facility complex, we decommissioned the facility in November 2019 – deposition rerouted to other tailings storage dams. Remedial measures were implemented in FY21 and will continue in FY22. These dams are structurally stable and pose no operational, safety or social risks.

Nature of tailings storage facilities	Tailings management strategy			
	Operation	Inspection	Monitoring	Periodic review
Operating (24 locations)	✓	✓	✓	✓
Re-mined (10 locations)	✓	✓		
Dormant (51 locations)		✓	✓	✓

Specialist consultants assist with maintaining and managing these facilities to ensure they meet global best practice in the mining industry. Drone technology supports our monitoring activities for all types of tailings storage facilities. Our TSFs in the SA region are 82% compliant to the tailings facility code of practice. [Assurance report]

Papua New Guinea

Our Hidden Valley operation uses a land-based tailings storage facility to safely store tailings material and wastewater. This facility is designed and operated in accordance with ANCOLD (Australian National Committee on Large Dams) standards. It comprises two cross-valley embankments, a main and a saddle dam, constructed via downstream build methods. It is also the first large facility of this kind to be operated successfully in Papua New Guinea.

Because of the climate in the area and the site's positive water balance, there is heightened risk of a breach in the dam wall during excessive rainfall. Our early-warning system will notify downstream villages in the unlikely event of a breach, including text messages to all potentially affected community members. Due to the pandemic, this early-warning siren project is currently on hold. The first tower, next to the tailings storage facility, has been commissioned and two further towers will be constructed in downstream villages as soon as restrictions allow. We have taken extensive measures to inform villages of this early-warning system and to explain what should be done in the event of an incident and the siren sounding. We are confident that our communities now have a comprehensive understanding of the risks (and benefits) of living downstream of our operation.

An extension to the life of the Hidden Valley Mine will be realised by constructing a second tailings storage facility. This is proposed to be sited in the final void of the Hamata pit, significantly reducing the disturbance footprint associated with this landform. As with our existing tailings storage facility, the new dam has been designed against ANCOLD standards and will require constructing a single cross-valley embankment for tailings storage. The early-warning system remains an appropriate safeguard to downstream communities for this second facility on account of its positioning in the same catchment as the existing dam.

For the Wafi-Golpu project, deep-sea tailings placement was selected as the preferred tailings management solution after extensive investigations into both on-land and submarine options.

As background, expectations are that the Wafi-Golpu project will be required to place over 360 million tonnes of tailings over its 28-year life-of-mine. The decision on tailings placement was made based on long-term safety, engineering, environmental, social, cultural heritage and economic factors. Submarine tailings placement is currently employed in six countries and used at three operations in Papua New Guinea.

The terrestrial tailings sites examined for the project all involve significant risks and constraints given the high seismicity, topography, soil type and high rainfall of the region. Heritage sites, communities, productive and ecologically sensitive land would also be severely impacted by a surface tailings facility.

Instead, tailings will be deposited in the Huon Gulf from an outfall at some 200m depth, mixing with natural sediments from various rivers as it flows down the submarine canyon and settles on the floor of the Markham Canyon. The tailings will represent only a small percentage (<20%) of the total sediment flow in the area. The Markham Canyon does not have clear water suitable for most fish life and lacks biodiversity because of the significant natural sediment material. After closure of the Wafi-Golpu Mine, the natural sediment loads will continue to occur and are expected to eventually bury the deposited tailings.

The discharge of tailings will occur well below the productive surface layers of the ocean and is not predicted to affect the coastal environment, biologically productive surface waters, community health or fisheries.

At the boundary of the proposed mixing zone, the tailings discharges are diluted to levels that meet Papua New Guinea water-quality criteria as well as Australian and New Zealand water-quality guidelines for marine aquatic ecosystem protection.

The environmental assessment and approval process for this project was concluded in FY21, with an environment permit issued on 18 December 2020 approving the use of deep-sea tailings placement for the project.

Cyanide code

Harmony has adopted and operates its processing plants according to the cyanide code (International Cyanide Management Code). This is a voluntary industry programme focused on the safe management of cyanide and cyanidation mill tailings and leach solutions.

Of our nine operational processing plants, seven are certified against the code following recent audits by an independent third party. Kalgold and Saaiplaas plants do not meet requirements for certification.

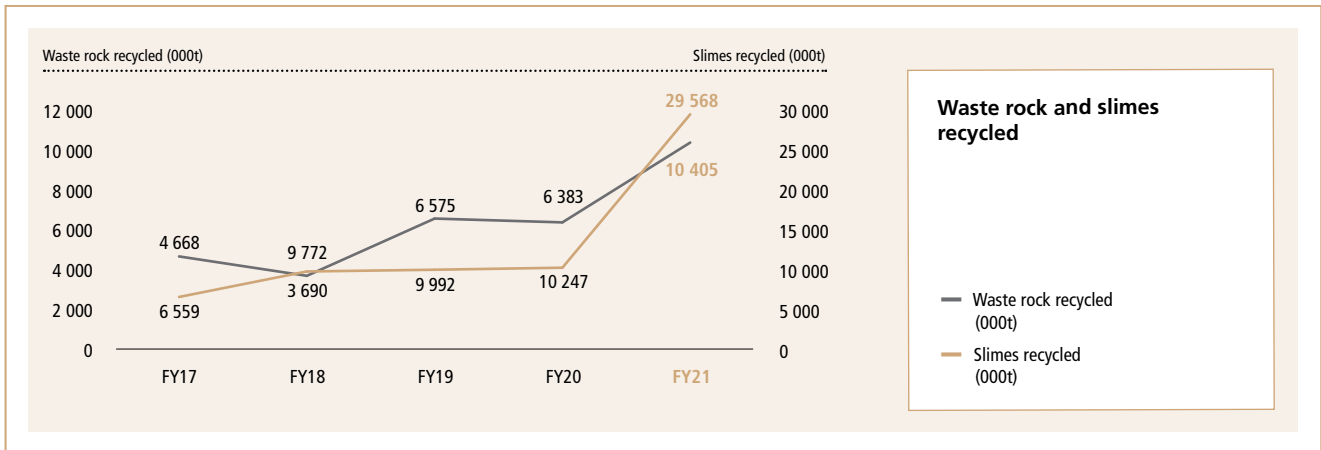
International Mining Industry Underwriters (IMI) also conducts annual audits on all our operating tailings storage facilities, while the International Cyanide Management Institute (ICMI) undertakes an audit every 18 months. In addition, mine residue deposits updates are provided every two years to the DMRE. Based on these audits, most of our South African operations are in good standing.

Waste management

Responsible and effective waste management reduces our environmental impacts and mitigates associated liabilities, making this a priority area. Internally, guidelines on mineral, non-mineral and hazardous waste materials are included in all operations' environmental management systems. At Harmony, waste management begins with initial generation and encompasses handling, storage and transport as well as recycling, treatment and/or disposal.

By understanding the actual cost of waste management, we are able to plan effectively for new projects and mine closure. Practically, we maximise recycling and waste reduction during the life of a mine, and design plans to minimise waste and reclaim mineral waste (such as waste rock from dumps as aggregate) to curtail our total mining environmental footprint.

TAILINGS AND WASTE MANAGEMENT continued

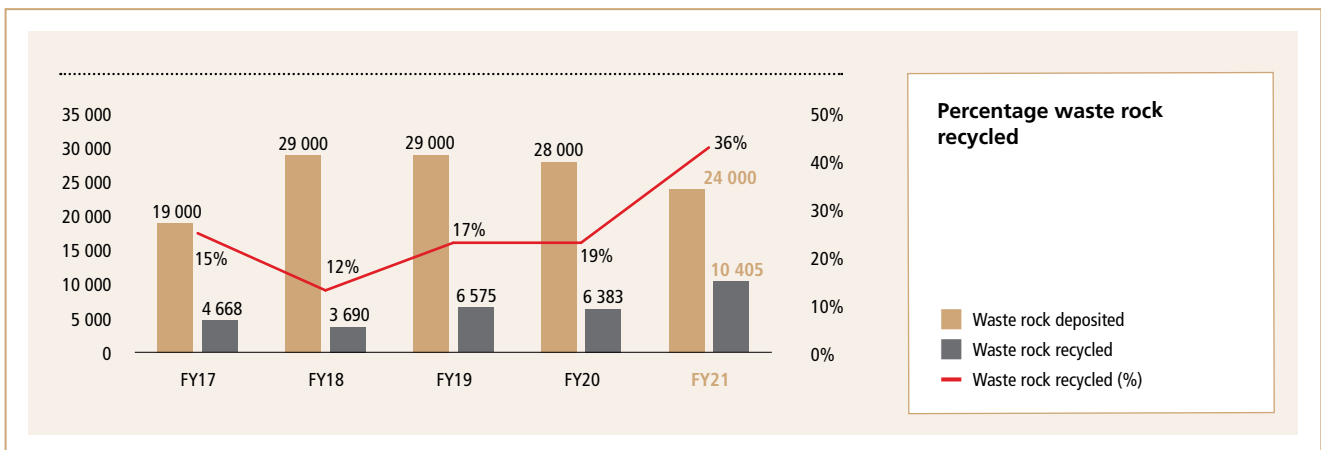
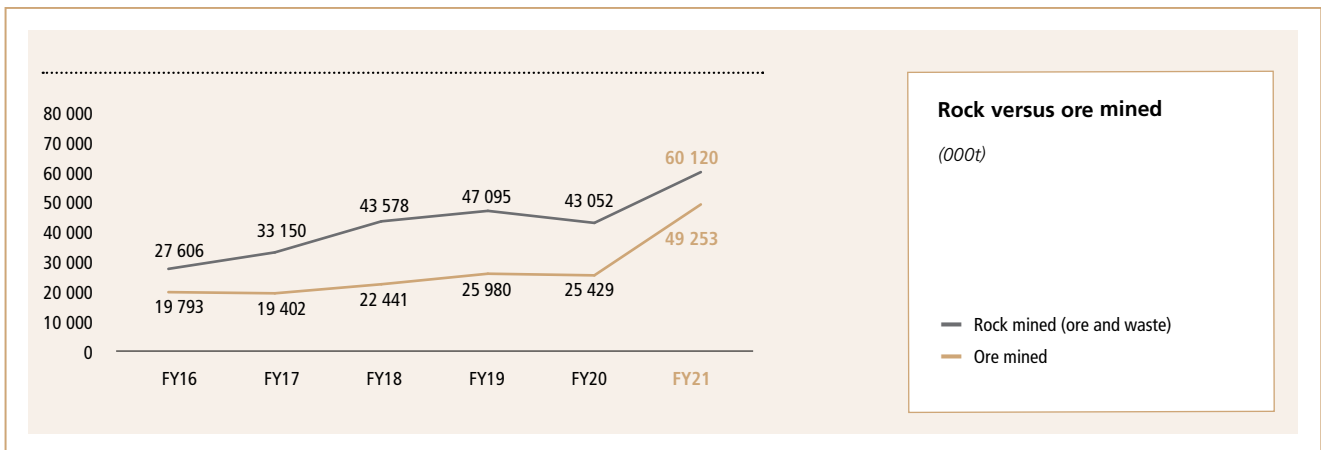


📄 See [ESG data tables](#) for more statistics.

Mineral waste

Waste rock

Our mining and extractive processes generate mineral and non-mineral waste, as well as emissions. Our mineral waste comprises tailings and overburden, often viewed as a resource in waiting. Effective mineral waste management reduces the aesthetic and land-use challenges of mining, particularly during closure, as well as the potential for water and air pollution, while maximising the recovery of ore, minerals and metals. Improved mineral waste management can generate significant savings and reduce energy consumption.



The year-on-year increase in mineral waste is due to waste stripping at cutbacks at Hidden Valley. Waste rock is also generated from our underground operations in South Africa.

Waste rock generally has no value as a gold mineral resource, but its characteristics make it useful as plant grinding media and feed for backfill plants. In addition, waste rock is often regarded as a resource by the aggregate industry.

In line with our commitment to inclusive mining and our social purpose, we have ring-fenced some of our waste rock for local businesses and entrepreneurs. This has enabled Harmony, as a large-scale miner, to forge a supporting and enabling relationship with legitimate licensed artisanal operators in our host communities:

- The size and quality of waste-rock dumps in Gauteng and Free State are potentially suitable for aggregate initiatives, and we are investigating their feasibility. These initiatives can create employment, allow local participation in economic development, and make economic use of a liability. Additionally, once the rock dumps have been cleared, the land is available for rehabilitation
- At Kalgold, aggregate was contracted out to be reclaimed and repurposed for market by a consortium comprising a seasoned aggregate producer, the local community and employees
- In Welkom, surplus waste rock is being processed by local aggregate producers and has been commercially sustainable for over a decade. We are also working with local community representatives from Allanridge and a BEE entrepreneur to establish an additional aggregate producer.

We have a five-year target to reclaim at least 10% of our total available mineral waste footprint. Meeting this target depends on the market as well as provincial infrastructural needs.

In Papua New Guinea, there is limited opportunity to repurpose waste material, given the potentially acid-forming nature of much of the waste. Where practical, suitable waste rock is reused on-site to construct embankments for the tailings storage facility.

Non-mineral waste

Non-mineral waste is classified as hazardous and non-hazardous and managed by recycling or reuse, off-site treatment, or disposal to on-site landfills. We ensure responsible storage, treatment and disposal of non-mineral waste. Group environmental standards for non-mineral waste management are integrated into existing ISO 14001 systems.

Hydrocarbons are the principal hazardous waste streams at our operations. We aim to minimise much of these waste streams to landfill by sending them to accredited institutions (such as the Rose Foundation) for repurposing while the remaining hydrocarbon waste is sent to appropriate landfill sites.

Group: Hazardous waste by type

	FY21	FY20	FY19	FY18	FY17
Oils and grease waste generated					
Grease (t)	552	424	426	121	384
Lubricating and hydraulic oil (Ml)	3	2.5	3.2	2.7	2.8
Oils to repurpose hydrocarbons to landfill – oil recycled (000l)	527	813	978	N/A	N/A
Hazardous waste generated					
Tailings (Mt)	47	24.1	24.2	21.4	19.8
Hazardous waste to landfill (t)	524	250	399	344	275

In FY21, 12 485 tonnes of non-hazardous non-mineral waste (plastic, steel, wood and paper) were recycled (FY20: 8 241 tonnes), an increase of 51%. As we actively promote recycling of our waste streams, we have initiated a reclamation programme that harvests underground equipment and infrastructure which is sent to the salvage yard and repurposed for potential consumption by other operations. In keeping with our transformation objectives, this initiative has helped develop and promote local entrepreneurs in the core mining sector.

Group: Non-hazardous waste generated and recycled

Tonnes	FY21**	FY20	FY19*	FY18	FY17
Timber	3 121	1 868	2 377	1 085	1 504
Steel	8 739	5 863	7 765	5 699	6 944
Plastic	625	509	479	314	459
Total	12 485	8 240	10 621	7 098	8 907

* Increase reflects inclusion of Moab Khotsong.

** Inclusion of Mponeng and related assets.

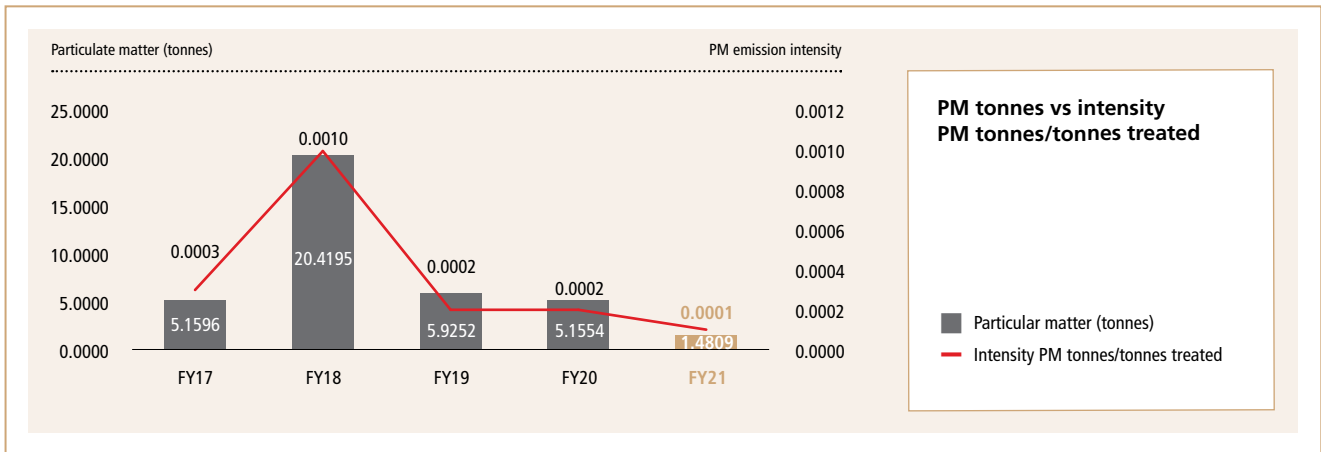
AIR QUALITY

Our primary atmospheric emissions are from our gold plants, namely sulphur oxides (SOx), nitrous oxides (NOx) and particulate matter, and measured under air emissions licences for each plant. Most of our gold plants meet the revised thresholds stipulated by government, with occasional exceedances in particulate matter during FY18. These exceedances are a function of the quality of carbon bought from suppliers. These have been successfully addressed by purchasing higher-quality carbon. An anomaly for nitrous oxides was registered at Mponeng in FY21. Maintenance at the plant has fixed the errors to ensure emissions remain in an appropriate range. Mines Waste Solutions and Mponeng plants will require focused strategies to reduce atmospheric emissions for these emission elements.

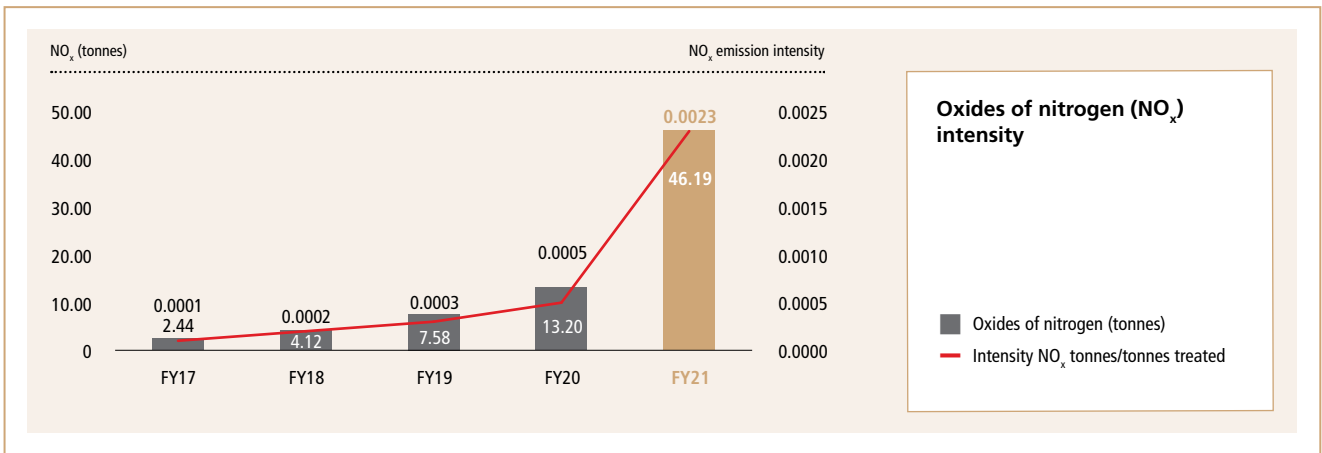
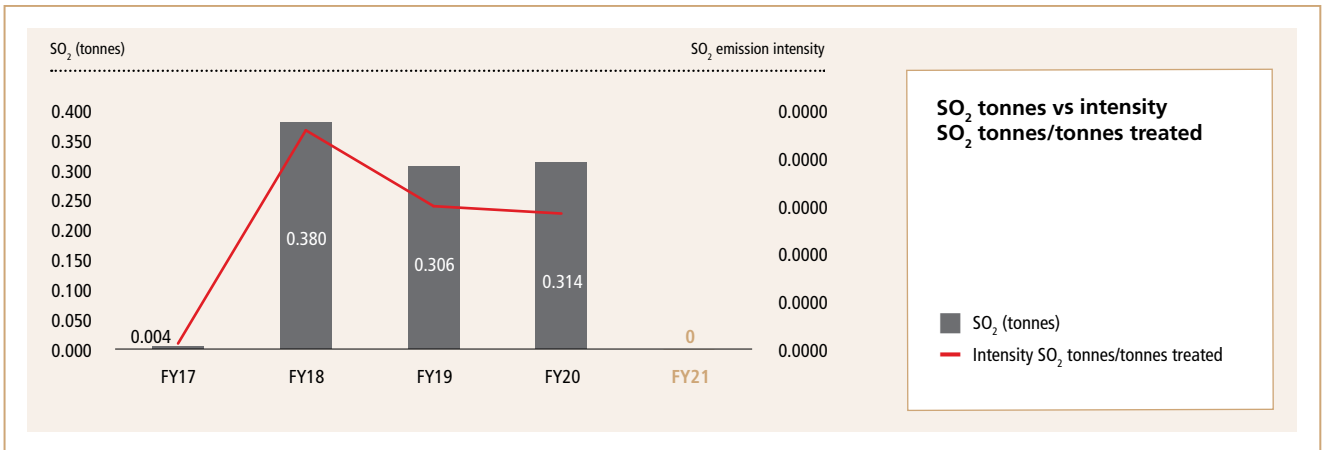
Dust fallout from operations (including tailings storage facilities) is monitored and managed. We apply the American standard for

testing and materials method (D1739), in line with the National Environmental Management Act: National Dust Control Regulations, in collecting and analysing dust fallout across the group. In the review period, Harmony was largely compliant, with some exceedances recorded at Doornkop, Kalgold and at our Free State operations. Not all exceedances can be attributed to our mining operations. Often we find that monitoring indicates other sources of fugitive dust, coupled to fallout from tailings facilities. Other sources include algal growth in wet seasons as well as soil and other organics. Nonetheless, we record these as a non-compliance and take remedial measures where applicable. Tailings facilities contributing to dust fallout have been identified, with mitigation focused on areas where sequential exceedances are prevalent. This will be rolled out over the next four years. Mitigating measures for tailings include installing netting barriers (artificial netting or trees), dust suppressants and vegetation through rehabilitation.

South Africa – annual gold plant emissions



Atmospheric emissions calculations include from 2017 when sampling began.
 Not all sites were sampled for FY21 as some samples are taken later in 2021.
 None of the samples taken to date for 2021 have detected SO₂ therefore nil has been recorded.



BIODIVERSITY AND CONSERVATION

Our mining activities affect the biodiversity and ecology of the surrounding environment. Recognising that these impacts could span the life-of-mine, and beyond in some cases, we implement appropriate management systems and processes to limit our footprint, mitigate and offset our impacts, where possible. In line with our goal of net zero impact on biodiversity and SDG 15, our approach is focused on protecting, restoring and promoting the sustainable use of terrestrial ecosystems, while halting and reversing land degradation. This approach applies to all our regions in South Africa, as summarised below.

Biodiversity management and action plans	Alien invasive eradication	Biodiversity offsets and trade-offs	Land rehabilitation
Policy and strategy in place	Programmes developed and implemented at Kusasaletu, Kalgold and our Free State operations	Develop one offset project in each region to ensure net zero impact	Continue demolition and rehabilitation programmes
Gap analysis		Investigate carbon trading	Land-use function determined by land capability
Management and action plans to include aspects such as: <ul style="list-style-type: none"> • Sensitive habitats, eg riverine systems along Vaal River • Wetland delineations • Avoidance of operating in World Heritage Sites 			Re-vegetate areas with indigenous grasses or create alternate economically viable end land use, post-closure
Participating in biodiversity disclosure project (eg EWT)			

South Africa Biodiversity management

All long-life South African sites have biodiversity management plans, implemented through their mine-closure plans, environmental management plans or specific biodiversity action plans. To ensure compliance, environmental projects are being implemented across our operations. We have completed an analysis to close any gaps in our biodiversity management plans and ensure alignment with the broader biodiversity disclosure project. In addition, biodiversity offsets are being planned per region as part of this project.

The most notable biodiverse areas in which Harmony operates are in North West province. Kalgold operates in a critical biodiversity area with endangered, vulnerable ecosystems including endemic vegetation types such as the critically endangered *Brachystelma canum* and endangered *Aloe braamvanwykii*. Both plants are endemic to a province that has seen much agricultural expansion in recent decades, resulting in habitat loss. According to the IUCN Red Data list, the only critically endangered fauna includes the white-backed vulture (*Gyps africanus Vulture*). Moab Khotso Song Mine is next to the Vaal River, the main tributary to South Africa's largest river, the Orange River. The region comprises areas of differing biodiversity criteria, including sandy and rocky grasslands as well as riverine and valley-bottom wetlands. We operate to very stringent conditions in our environmental authorisations.

Harmony's Free State operations fall in the Vaal-Vet sandy grassland and the western Free State clay grassland ecosystem. The Vaal-Vet vegetation area is considered endangered given the conserved regional areas. No Red Data species were identified, but the commonly known threatened sungazer or giant girdled lizard and near-threatened lesser flamingo are situated in these habitats.

Our Gauteng operations are near urban areas and do not have any nearby critically endangered, endangered or vulnerable biodiversity areas, but do include near-threatened ecosystems or species.

Papua New Guinea

The country is home to the third-largest block of unbroken tropical forest and the largest tract of primary forest remaining in the Asia-Pacific region. Its forests support over 5% of the world's plant and animal species. Some two-thirds of its flora and fauna is endemic. Hidden Valley in Morobe Province hosts a variety of habitats and flora and fauna communities. The Huon Peninsula, forming most of the province, has moderate to high species richness with a variety of threatened mammal fauna. Of some 3.3 million hectares, two-thirds is forest, and the areas of lowland forest have been heavily deforested or degraded.

The area affected by Hidden Valley has been disturbed over a relatively long period by human activities. This area is not known to contain plants or plant communities of particular significance or rarity. The project area is home to a number of species of mammals or birds that are protected under PNG's Fauna (Protection and Control) Act 1976 or IUCN (2003) Red List of Threatened Species or Convention on International Trade in Endangered Species (CITES) of Wild Flora and Fauna. Vulnerable or endangered fauna includes two species of tree kangaroo (*Dendrolagus dorianus* and *D goodfellowi*), the long-snouted or giant echidna (*Zaglossus bruijnii*), the rare nectar bat (*Syconycteris hobbit*) and the New Guinea harpy eagle (*Harpyopsis novaeguineae*).

At Wafi-Golpu, three ecological subdivisions were made to assess conservation status (at national level) of the principal forest types present in the area studies as part of the baseline characterisation for the project:

- Floodplain forest: this vegetation community was assessed as vulnerable, since its extent has reduced by over 30% in the past 50 years. This has been attributed to ongoing commercial logging across Papua New Guinea
- Mixed hill forest: the reduction in extent of mixed hill forest was estimated to be less than 30% over the past 50 years, and was therefore not considered threatened. In addition, this vegetation type has an estimated area of occurrence of 13.3 million hectares across Papua New Guinea
- Swamp forest: was not assessed to be threatened due to the difficulty of safely accessing these forest types, and because Papua New Guinea has not yet experienced broad-scale draining and clearing of swamps for agriculture.

Seven fauna species of conservation significance were recorded. One was classified as critically endangered, three as vulnerable, one as near-threatened and the remainder as data deficient. Two other near-threatened species, Doria's goshawk (*Megatriorchis doriae*) and forest bittern (*Zonerodius heliosylus*), were identified as being likely (Doria's goshawk), or having potential to occur (forest bittern) in the terrestrial ecology study area.

South Africa

Alien and invasive plant management

In FY21, we continued our project to minimise growth and infestation of alien species, aiming to ultimately eradicate these plants. Areas of infestation are mapped and then divided into management units for prioritisation and appropriate planning. Since FY16, these efforts have primarily focused on our Kusasaletu operation, with some 5 000ha of the surface mining right area cleared of alien vegetation. Once an area has been cleared, follow-up monitoring continues for a period. In FY21, a total of 1 229ha of surface right area received follow-up treatment to ensure effective eradication of alien invasives. A further 100ha is being cleared at our Free State operations. Clearing these plants will also benefit community safety and address concerns raised.

Conservation programme

Mining activities at our Kalgold operation resulted in clearing vegetation to construct haul roads and for further pit development. To offset the impact of vegetation clearing, 579 trees were purchased from a nursery and transplanted within the mining boundary. These trees included *Combretum erythrophyllum*, *Olea africana*, *Rhus lancea* and *Vachellia erioloba*. This project has been successfully implemented since 2015 with very few species succumbing. A further 200 trees will be planted in partnership with the local community.

The lesser flamingo is recognised as a near-threatened species commonly identified in shallow eutrophic, open saline water bodies. Salt pans, estuaries and lagoons habitats are frequented by the lesser flamingo. Our Free State operations are in areas where salt pans are regularly identified. Four breeding sites have been identified across Africa, hence Harmony's intention to construct a fifth breeding site. After unavoidable Covid-19 delays in the prior year, construction of the facility for the proposed conservation project in the Welkom area is planned to begin in the second half of FY22.

The project entails constructing an island in an identified local pan at our Free State operations.

Radiation

In FY21, we continued to implement radiation-protection programmes at all our regulated operations. Public radiation-protection programmes are also being implemented at all sites, where we sample dust and water. We have demonstrated a high level of compliance for both employees and the communities, with no health or safety threats.

Average compliance for FY21 was 96%, with no major regulatory issues.

Focus areas for FY22

In the new year, our focus will be on:

- Ensuring all operations have the necessary licences to operate legitimately and that we have maximum compliance
- Focus on aligning our targets and objectives post-acquisition
- Optimising these assets in terms energy and water. Beneficiating The Margaret Water and Covalent Water Company presents an opportunity to account/utilise this resource for the benefit of broader society and the environment
- Supporting various stakeholders to finalise environmental licences for Wafi-Golpu
- Accelerating our energy-mix programme in support of our net-zero intent and science-based targets that we will finalise early in FY22
- Planning and designing the biodiversity and climate-change offset programmes
- Accelerated rehabilitation and mine-closure programmes.

SOCIAL

IN MINING WITH PURPOSE, OUR DUTY OF CARE BEGINS WITH OUR EMPLOYEES – THE HEART OF OUR BUSINESS – AND EXTENDS TO OUR COMMUNITIES, HOME TO MANY OF OUR PEOPLE AND ALL IMPACTED BY OUR OPERATIONS.

We are committed to safe, ethical and socially responsible mining, and accountable for living up to this commitment.

Given the finite nature of mining, we understand our responsibilities to host communities. During their productive lives, our operations are an important economic agent in these communities – as employer, in supporting local businesses, contributing to the tax base of local municipalities – and more. Equally, when a mine closes, there may be serious economic consequences for host communities. In line with national goals, we aim to create self-sustaining communities beyond the operating lives of our mines. As such, we leverage our skills and infrastructure, develop suppliers, and assist in establishing viable alternative economic activities post-mining.

We listen to our stakeholders. We understand the growing need to achieve measurable social outcomes and build sound relationships around operations. Through our social and labour plans, enterprise and supplier development initiatives, corporate social investment and infrastructure projects, we contributed R8.0 billion to host communities in FY21.

Engaging with stakeholders is key to implementing our business strategy. Failing to do so jeopardises our social licence to operate and could reduce opportunities in the market.



Waiting area at Great Nologwa shaft.

SOCIAL

Capitals affected

Directly	Indirectly
HUMAN CAPITAL	FINANCIAL CAPITAL
SOCIAL AND RELATIONSHIP CAPITAL	INTELLECTUAL CAPITAL
	MANUFACTURED CAPITAL

Stakeholders affected

Employees

Communities

Other stakeholders engaged include government and regulators

Strategic pillars

Responsible stewardship	Operational excellence
-------------------------	------------------------

Responsible committee
Social and ethics committee

Related risks

- Covid-19 pandemic – spread of infection and potential impact on business sustainability
- Social licence to operate
- Failure to eliminate fatalities and improve safety performance.

GRI standards
Prepared in accordance with: 102-8, 102-41, 201-3, 202-1, 202-2, 401-1, 401-2, 403-1, 404-2, 404-3, 412-1, 412-2, 412-3 and MM4

Contributing to the SDGs

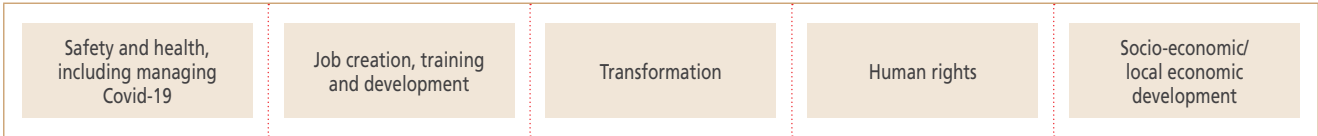
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Specific contributions to SDGs are detailed per section.

INTRODUCTION

We believe that by contributing to the health and wellbeing of our employees and communities, as well as uplifting our communities through economic opportunities, we enable a socio-economic ecosystem in which our business and all stakeholders can thrive.

Our principal social imperatives are:



Duty of care

We conduct our mining activities and associated processes in line with applicable legislation and regulations in South Africa and Papua New Guinea. However, we aim to go beyond compliance levels wherever possible. Fundamentally, we believe our duty of care for employees extends to ensuring safe and healthy workplaces, fair remuneration that provides for decent accommodation, access to healthcare and compensation, and benefits post-retirement. For our communities and broader stakeholder groups, this duty includes public health and safety. For all stakeholders, ongoing and proactive communication fosters strong relationships.

SAFETY AND HEALTH






ZERO HARM

Our employees are our most important stakeholders and a vital capital. This makes their safety and health both a moral and business imperative. Safety is our foremost corporate value – no product is as important as our people, who should return home safe and healthy every day.

Our approach extends to the communities where many of our employees live and which are affected by our operations. We believe that contributing to the health and wellbeing of our community members facilitates an ecosystem in which our business and all stakeholders can thrive.

SAFETY AND HEALTH continued

Capitals affected

Directly	Indirectly
 HUMAN CAPITAL	 FINANCIAL CAPITAL
 SOCIAL AND RELATIONSHIP CAPITAL	 INTELLECTUAL CAPITAL
	 MANUFACTURED CAPITAL

Strategic pillars

 Responsible stewardship	 Operational excellence
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Related risks

- Covid-19 pandemic – spread of infection and potential impact on business sustainability
- Failure to eliminate fatalities and improve safety performance.
- Mental and physical wellbeing a disabler to return to work.

GRI standards

Prepared in accordance with: 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9 and 403-10

Contributing to the SDGs

	
<ul style="list-style-type: none"> • The health and wellness of employees is important to full, productive lives • We focus on employees' comprehensive wellbeing, including occupational health, chronic diseases such as TB and HIV/Aids, and lifestyle diseases • Combating Covid-19 has become the overwhelming focus of our health services, but the pandemic has embedded our proactive approach to health and safety. 	<ul style="list-style-type: none"> • As a responsible employer, providing decent work includes ensuring everything possible is done to safeguard employees, ensure workplaces are safe and prevent injury or harm so that employees return home safe and well • Employees have the right to refuse to work when they consider a workplace unsafe • Training and other support are provided to encourage safe behaviour and conduct.

 For more, see our [sustainability strategy](#)

Our approach

Zero loss of life is a non-negotiable imperative

The safety, health and wellbeing of our employees is one of the highest strategic risks to our business, given the potential to erode human capital and affect our ability to achieve our strategic objectives. Accordingly, we have a dual operational focus: ensure a safe and healthy workplace; and create a proactive safety culture where our employees stop, assess and manage all work-related risks. Taken together – safe workplaces and risk-aware employees – we are ensuring the sustainability of our business.

Our safety and health policy, integrated into our sustainable development framework, therefore focuses on:

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

The standard operating procedure developed to address the challenges of the pandemic covered all these aspects, in turn reinforcing our safety and health policy.

Our occupational safety and health policy and related management frameworks are aligned with the Mine Health and Safety Act in South Africa and relevant legislation in Papua New Guinea, including the Mining (Safety) Act and associated regulations. We also apply best practices and guidelines as prescribed by the ICMM. Our approach to safety encompasses critical control management, preparedness, prevention and the monitoring, review and analysis of relevant safety and health indicators.

Governance

At board level, the technical committee approves and monitors compliance with our safety and health policy as well as legislation. Safety is a key performance indicator for management in determining remuneration. Our chief executive officer regularly

reports on safety incidents and achievements to the committee and board. At every board meeting, the chair of the technical committee provides feedback on our safety performance.

Demonstrating our inclusive approach, representatives of management, unions, the Minerals Council South Africa and government participate in structures emphasising the importance of safety and how to achieve our goal of eliminating fatalities.

At our South African operations, safety and health committees ensure that all employees are involved in managing and ensuring the safety of all. In FY21, there were 77 full-time safety and health representatives at these operations. The chief operating officer: South Africa reports on safety to the group executive committee weekly and quarterly, with a quarterly presentation to the technical committee.

Harmony contributes to external safety initiatives and leading best practices for implementation through the Mining Industry Occupational Safety and Health (MOSH) community-of-practice adoption process. For each aspect of occupational safety and health, champions are nominated to attend industry meetings and ensure relevant information is disseminated to all operations.

In Papua New Guinea, safety managers report at least monthly to the South-east Asia executive committee. This committee in turn – through the regional chief executive officer – reports to Harmony's group executive team weekly and quarterly to the technical committee.

Safety

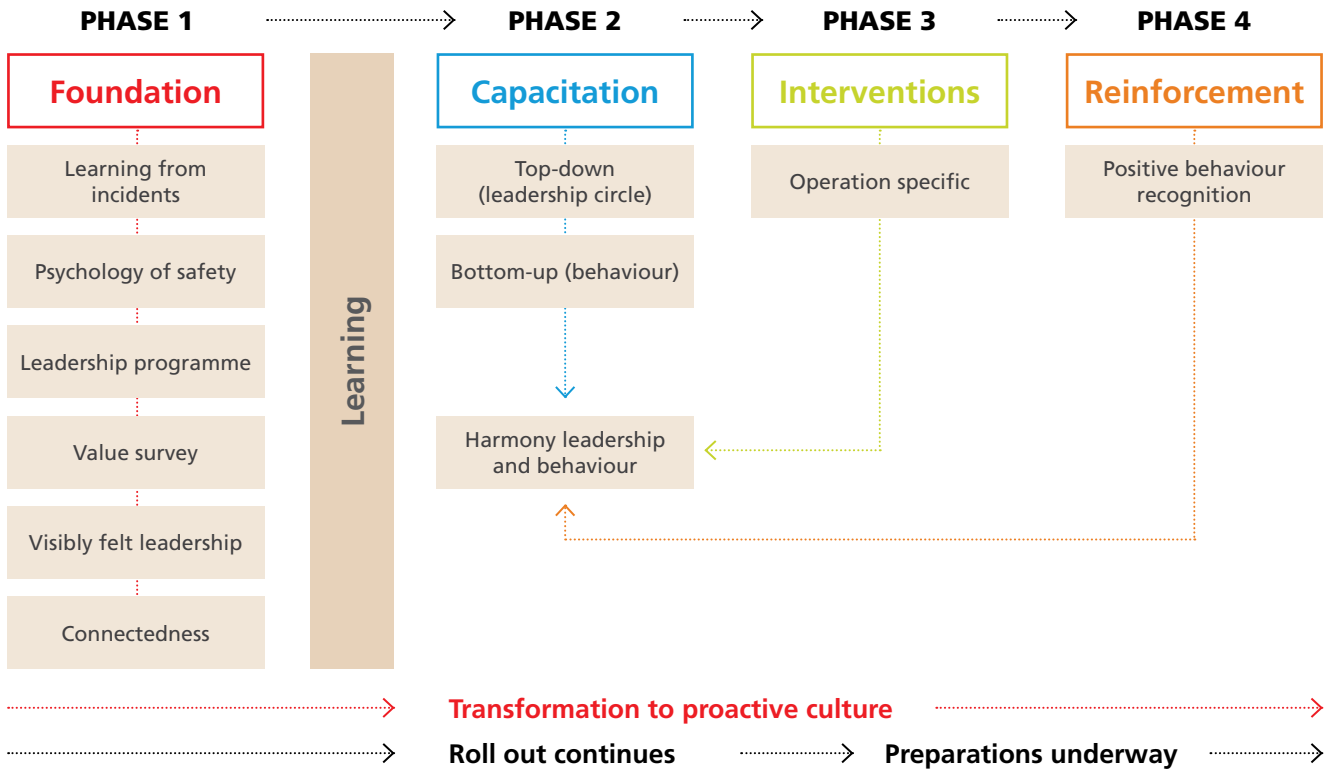
Our goal is to make safety a shared responsibility. While our safety performance fundamentally affects the lives and wellbeing of our employees, it has implications for other aspects of our business, particularly our financial, social and relationship, and manufactured capitals. Safety performance can also have a significant impact on our brand and reputation. We are determined to prevent loss of life and achieve zero harm across our operations so that our employees can return home safe and healthy each day.

Risk management strategy

Three years ago, we began implementing a group-wide risk management strategy for safety across South Africa and Papua New Guinea. This involves identifying, assessing and controlling all threats that could cause harm to our employees. Increasingly, it is based on real-time data, particularly leading indicators, to support proactive risk management initiatives and aid safe, profitable production. It also aims to embed a behaviour change for safety to one that is far more engaged and proactive. This multifaceted and cooperative approach is supported by all relevant stakeholders.

SAFETY AND HEALTH continued

Harmony's four-layer risk management strategy



This strategy is being rolled out in phases to systematically embed risk management in our operational culture and the behaviour of all employees. Phase 3 began early last year, in tandem with the roll-out of phase 4.

As background, in phase 2 (from April 2018), we modernised systems, processes and information-sharing to facilitate more proactive management. Essentially, a modernised operating system gives our mining teams the required information before entering a workplace so that crews are aware of all hazards identified in previous shifts and can take steps to ensure the area is safe before entering.

Phase 3 has largely focused on ensuring appropriate processes are in place at all operations to embed a proactive approach to safety. This included implementing golden-control monitoring and improved responses to golden-control failures. Golden controls are the principal preventative safety measures we use in our operations. As part of this phase, we are systematically entrenching the ICMM's critical management plan at our operations, which are now better equipped to identify significant unwanted events and related mitigating controls.

While modernising our systems and processes has been pivotal to improving safety performance, our risk management strategy would be largely ineffective without the human behaviour element. Accordingly, phase 4 is being rolled out in tandem with phase 3.

This final phase centres on a humanistic strategy to embed a behavioural approach to safety – ensuring our management teams are proactive, effective leaders so that our workforce is more engaged and the relationship between employees and management is based on mutual trust. The intention is to provide platforms for employees to communicate freely, without feeling threatened, and to give management the skills to be effective and connected leaders.

📄 For more on our leadership programme, see [Caring for our workforce](#).

We also introduced an initiative to identify an employee's propensity to take risks, with the aim of managing that behaviour. This programme has identified clusters of high-risk-taking behaviours at leadership and employee levels. Additional programmes developed to further embed safe behaviour focus on recognition and reward – work on implementing these uniformly across the operations continues.

We are encouraged by steady progress on many of our leading indicators (more reliable indications of **preventing** harm than lagging indicators, which simply monitor events that occurred), particularly safe declarations, golden-control monitoring, and learning from incidents. With automated systems and processes in place, we can now continuously assess workplace conditions and equipment to ensure no undue risks are posed to any employee on the surface or underground. We are also able to more effectively monitor the progress of safety-related initiatives at our operations.

The open-pit operation, Kalgold, has operated for 22 years fatality-free

Our performance FY21

	FY21	FY20	FY19	FY18	FY17
Number of fatalities					
Group	11	6	11	13	5
South Africa	11	6	11	13	5
Papua New Guinea	0	0	0	0	0
Fatal injury frequency rate (per million hours worked)					
Group	0.11	0.08	0.12	0.16	0.07
Lost-time injury frequency rate (per million hours worked)					
Group	6.18	6.33	6.16	6.26	7.21
South Africa	6.46	6.69	6.48	6.67	7.61
Papua New Guinea	0	0.77	0.35	0	0.41

The group lost-time injury frequency rate (LTIFR) improved in FY21 to 6.18 per million hours worked (FY20: 6.33). Tragically, there were 11 mining-related fatalities (FY20: six), all at our South African operations. We are deeply saddened and disappointed by this performance as every fatality represents the tragic loss of a colleague and impact on their loved ones.

More positively, at end FY21, Harmony reached a record 3.38 million fatality-free shifts (which represents 107 consecutive fatal-free days), proving that our goal of zero fatalities is achievable. Commendably, our Papua New Guinea operation maintained its fatality-free performance for the fifth consecutive year and reached its target of zero harm, with an LTIFR of 0.

We focus intensively on understanding the causes of fatal accidents, and learning from the circumstances surrounding each incident. These lessons are shared across our operations.

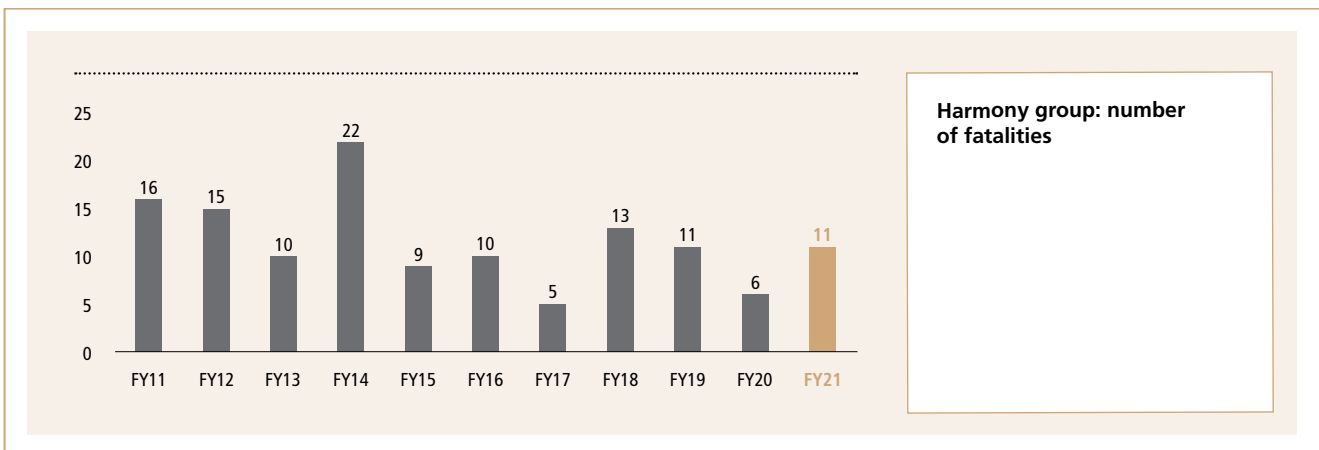
South Africa

The South African operations recorded a mixed safety performance in FY21. Per million hours worked, our fatal-injury frequency rate regressed from 0.08 last year to 0.12. However, these operations have worked for extended periods without a loss of life – in addition

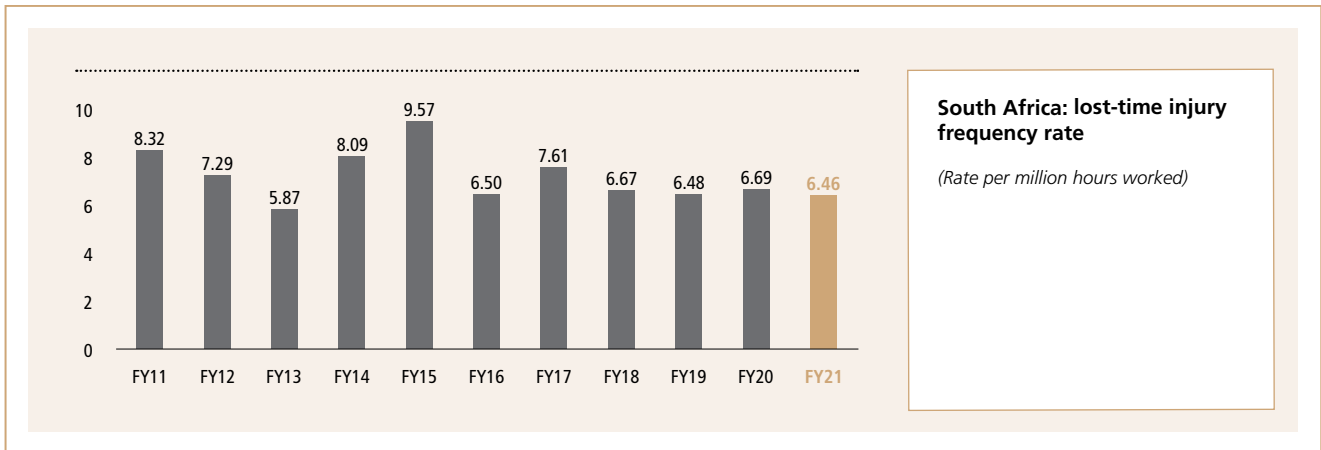
to the 3.7 million fatality-free shifts noted above, Harmony has exceeded the 3-million shift mark on three separate occasions since 2016, proving that our goal of zero fatalities can be reached and maintained.

The LTIFR improved to 6.46 (FY20: 6.69). This translated to the loss of 28 943 shifts due to occupational injury. However, the reportable injury frequency rate regressed to 4.00 (FY20: 3.88) and the fall-of-ground injury frequency rate deteriorated from 1.22 to 1.51. In contrast, the rail-bound equipment injury frequency rate improved to 0.45 (FY20: 0.70).

When analysing this safety performance, it is essential to factor in the impact of the pandemic. Thorough investigations into the causes of fatalities in the review period reveal direct, but unanticipated, consequences of the pandemic – from changing crew compositions after members tested positive or were quarantined post-contact, to substandard supervision for various Covid-19-related reasons, and even global manufacturing shutdowns last year that affected supply chains. Despite the concerning increase, most fatalities occurred in low-risk areas and not those more commonly associated with deep-level mining, like seismic events.



SAFETY AND HEALTH continued



In memoriam

Date of incident	Name	Occupation	Mine/operation	Cause
12 Jul 2020	Zamokuhle Shabane	Team leader	Bambanani	Falling from heights
10 Aug 2020	Zakhele Lubisi	Artisan	Kusasaletu	Tools, machinery and equipment
10 Sep 2020	Alexis Lesiamang Ntjantso	Driller	Doornkop	Explosion
10 Oct 2020	Tsoaela Botsane	Team leader	Tshepong	Gravity-related fall-of-ground
	Tisetso Pati	Winch operator		
18 Dec 2020	Rakitsi Seseli	Rock-drill operator	Kusasaletu	Explosion
13 Jan 2021	Makhetha Allerdice Makobane	Rock-drill operator	Bambanani	Scraper winches
26 Jan 2021	Flip Kearabetswe Mahloko	Contractor assistant	Free State Surface Operations	Falling from heights
28 Jan 2021	Tsietso Petrus Mateane	Rock-drill operator	Phakisa	Scraper winches
3 Feb 2021	Neo Mofokeng	Underground assistant	Target	Seismic-related fall-of-ground
15 Mar 2021	Peter Bangixhanti Fosilara	Artisan	Moab Khotsonq	Electricity

Death and serious injury benefits

We understand the devastating impact mine fatalities and serious injuries can have on an employee’s family. In many cases, these employees are the sole breadwinners for their families, supporting an extended family of over ten people. We have a comprehensive range of benefits to support the family in the event of a mine fatality or serious injury, summarised below.

Benefits for fatal mine accidents

	Description
Provision of coffin and funeral services	At no cost to the family
Transport of body	At no cost to the family
Mine delegation to funeral	At least two senior managers
Union delegation to funeral	Eight union members, paid leave
Mourners in hearse	Maximum of six
Coworkers transport	One x 60-seater bus, paid leave
On-mine memorial service	For all employees to attend
Mine Workers Provident Fund advance	R40 000
Rand Mutual Assurance funeral policy	R30 000
Company donation – provided as soon as possible	R20 000
Accommodating family on mine to attend to affairs of the deceased	Six family members
Enrolling children in Harmony Education Fund as per policy	No limit on number of children
Offer of employment	Immediate offer of employment at underground entry level

Benefits provided for serious injury on duty

	Benefit
COIDA benefit	Lump sum or monthly benefit paid to employee based on percentage disability rating
Alternative work	Alternative work is investigated and provided if suitable vacancies exist
Termination benefit	Two weeks per completed year of consecutive service paid if no alternative work is available, with a minimum benefit of R60 000
Offer of employment	To an immediate family member
Ongoing care	Employees medically incapacitated by injury on duty are also placed on the TEBA home-based care programme

Paraplegic benefits

Support provided to employees who become paraplegic after an injury at work are the same as above. However, the termination package is enhanced and the employee’s home is renovated to make it wheelchair-accessible.

SAFETY AND HEALTH continued

Understanding causes of injury

One of the most prominent factors that contributed to the lost-time injury frequency rate was the repetitive occurrence of winch-related incidents. To address this, a winch pre-inspection was piloted at Doornkop, Kusasalethu and the Tshepong Operations. This pre-inspection, conducted using the optical character recognition system – software that converts paper data to digital, live data that can be tracked, monitored and analysed in real-time – for daily deficiency management and reporting, aims to identify real-time issues reported by winch operators and to bring these to management’s attention for assessment and assistance in ensuring safe winch operations. With all the initiatives implemented to date to manage this risk, we have improved our performance from 0.34 in FY20 to 0.18 in FY21. Given the positive results at those three operations, the pre-inspection process will be implemented at all operations in FY22.

Our safety performance in FY21 has again underscored the need for a more behaviour-focused approach to safety management, which ties directly to phase 4 of our risk management strategy roll-out. To embed a proactive safety culture and accountability in our workforce, we implemented several initiatives and programmes in FY21. Among the most notable were:

- Reinforcing the right of all employees to refuse dangerous work and to leave a dangerous workplace. This is in line with the Mine Health and Safety Act. It is vital that our employees understand their rights, are engaged and feel safe to perform their duties, and that supervisors recognise these rights. In addition, frontline supervisors are being trained and encouraged to engage with mining crews and management on these rights. Effective,

frequent communication is vital. To address this, communication and leadership initiatives are ongoing

- Identifying the most serious unwanted events and assigning responsibility for these at executive level. As these identified events could cause significant loss of life and shifts, they require far more focused attention by all management levels
- Reinforcing our safety mascot, Thibakotsi, and associated safety messages, signs and symbols
- Introducing a daily work note to ensure the frontline workforce receives the relevant information to proactively plan tasks at the start of each shift
- A far more thorough scanning and analysis of daily safe-declaration data to assess workplace conditions, raise awareness of risks and address repetitive failures.

Despite the challenges and regression in our safety performance, there is evidence that our risk management strategy is improving the safety culture at our South African operations.

To illustrate, in the second half of FY21, over 720 visits were made by executives and managers to workplaces as part of the visible felt leadership initiative. These engagements reinforce the concept of shared responsibility in a company that truly cares. We are also making good progress in incorporating learnings from incidents into daily safety practices. This was particularly evident in the way potential seismic hazards were monitored and managed during the year. The enforced daily monitoring substantially reduced the incidence of falls-of-ground. This practice will be carried into FY22 and especially applied when starting up new panels and after shut-down periods.

FY21 safety achievements

Fatal-free shifts	
Operation	
Noligwa gold plant	5 000 000
Free State surface operations	4 250 000
Kalgold pit and plant	3 750 000
Harmony total	3 000 000
SA total	3 000 000
SA underground	2 000 000
Kalgold pit	2 000 000
Masimong	2 000 000
Free State commercial services and transport	1 750 000
Free State plants	1 250 000
Doornkop shaft	1 000 000
Free State operations	1 000 000
Kusasalethu/Mponeng/Kalgold unit	1 000 000
Moab Khotsong	1 000 000
Moab/Doornkop unit	1 000 000
Mponeng shaft	1 000 000
Phakisa section	1 000 000
SA surface	1 000 000
Target/Tshepong/Phakisa unit	1 000 000
Tshepong Operations	1 000 000

Fatal-free production shifts FY21
Operation

Savuka gold plant	66 000
Kopanang gold plant	41 000
Free State laboratory	32 000
Harmony One plant	32 000
Kusasaletu plant	32 000
Noligwa gold plant	32 000
Nufcor plant	32 000
South Uranium plant	32 000
Target plant	32 000
Saaiplaas plant	21 000
Mine Waste Solutions total	16 000
Central plant	5 000
Doornkop plant	2 000

Fall-of-ground fatal-free shifts FY21
Operation

SA operations	9 000 000
Moab	8 000 000
Moab/Doornkop unit	4 000 000
Free State operations	4 000 000
Kusasaletu	3 000 000
Bambanani/Masimong/Unisel unit	2 000 000
Kusasaletu/Mponeng/Kalgold unit	2 000 000
Masimong	2 000 000
Phakisa	2 000 000
Target	2 000 000
Tshepong Operations	2 000 000
Bambanani	1 000 000
Doornkop	1 000 000
Mponeng	1 000 000
Tshepong/Phakisa/Target unit	1 000 000

Rail-bound equipment fatal-free shifts FY21
Operation

Free State operations	19 000 000
SA Operations	1 300 000
Tshepong/Phakisa/Target unit	12 000 000
Tshepong Operations	10 000 000
Bambanani	9 000 000
Bambanani/Masimong unit	9 000 000
Tshepong	8 000 000
Joel/Masimong/Bambanani unit	8 000 000
Doornkop	6 000 000
Moab/Doornkop unit	6 000 000
Phakisa	4 000 000
Moab Khotsong	3 000 000
Joel	2 000 000
Kusasaletu/Mponeng/Kalgold unit	2 000 000
Kusasaletu	1 000 000
Mponeng	1 000 000

SAFETY AND HEALTH continued

White flag (injury-free) days FY21	
Operation	Consecutive injury-free days
Nufcor plant	2 500
Free State commercial services and transport	2 100
Randfontein commercial services and transport	1 300
Vaal River commercial services and transport	1 000
Vaal River surface sources	900
Saaiplaas plant	600
Vaal River surface operations	600
Free State laboratory	500
Asset management forum	400
West Wits surface operations	400
South Uranium plant	300
Central plant	200
Doornkop plant	200
Free State surface	200
Harmony One plant	200
Kusasaletu plant	200
Noligwa gold plant	200
Randfontein surface operations	200
Target plant	200
Bambanani	100
Kalgold pit	100
Kalgold plant	100
Masimong	100
Mine Waste Solutions gold plant	100
Mine Waste Solutions re-mining and deposition	100
Mponeng gold plant	100
Savuka plant	100
Unisel	100
West Wits surface sources	100

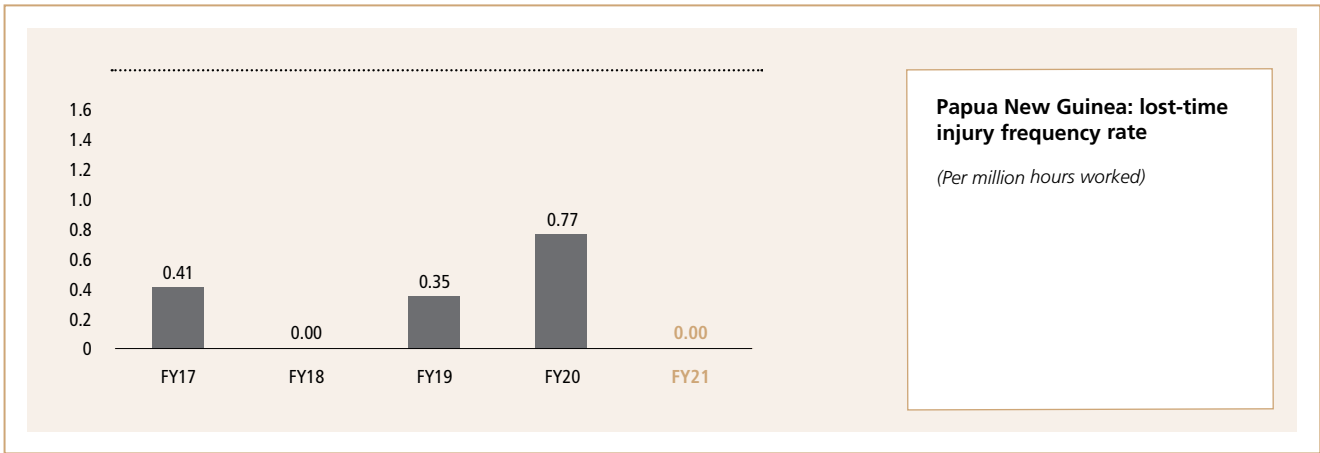
Papua New Guinea

Harmony's Hidden Valley operation boasts a world-class safety record. It has reported no fatalities since 2015, equating to 3 million fatality-free shifts. The LTIFR for FY21 was 0.0 per million hours worked, compared to 0.77 for FY20.

Hidden Valley is an open-pit mine, with far lower risks than underground mines. Other factors have contributed to its safety record, particularly the implementation of our risk management strategy and critical controls, as well as entrenching a proactive safety work ethic in all employees. This behavioural pattern has been systematically reinforced through visible felt leadership, along with regular, focused safety training.

Although the highly mechanised nature of the mine supports a better safety performance, vehicle interaction remains the most significant safety risk at Hidden Valley. This is followed by fatigue and uncontrolled release of energy (hydraulic and compressed energy) in workshops. All mining vehicles are equipped with monitors to mitigate against driver fatigue, prevent vehicle collisions, observe driver behaviour and monitor productivity.

At Wafi-Golpu, there is a similar emphasis on proactive safety risk management, monitoring critical risks and visible felt leadership.



Hidden Valley open pit mine with tailing storage facility in background.

SAFETY AND HEALTH continued

Public safety

There were no major incidents or serious concerns raised during the year on road transport and radiation exposure. Together with dust, these are the primary public and community safety risks associated with our operations. We accelerated our plans to contain dust from tailings storage facilities at certain Free State operations after they exceeded permissible limits during the year.

 Refer to **tailings storage facilities** in **environment** section.

Focus areas for FY22

Group safety target

In FY22, Harmony will continue to embed its risk management process to create a more engaged and proactive safety culture across our operations. In tandem, we aim to improve our safety performance by 10% on the average performance of the previous three financial years.

South Africa – safety focus for FY22

Our priorities will include:

- Digitising information to allow us to make informed decisions as circumstances that may compromise safety are identified
- Accessing and including industry-wide best practice learning material and methodologies through the International Mining Standards Hub (Harmony is a founder member)
- Detailed analyses of our responses – on integrated platforms – to identify opportunities to improve and mitigate safety risks.

In terms of our four-layer risk management system, we will continue to:

- Map out critical production processes and align inter-disciplinary processes (process mapping) and documentation to provide assurance that our legal and social obligations are addressed. This will be achieved by embedding the identification of risks and controls into our risk and legal documentation. The aim is to have a single source of content on task assessment (procedures, training, risk assessment, continuous monitoring and reporting)
- Integrate specified routines – ensuring an integrated approach in identifying potential risks during the planning phase as well as in identifying mitigating controls and monitoring actions prior to the start of work. This will include introducing integrated services work planning and monitoring for phase 3
- Further engage all leadership, including organised labour, as partners to advance our behaviour-oriented strategy (phase 4). This will include developing and implementing a behaviour-tracking and monitoring programme to allow leaders real-time access to critical behaviour data for safety improvement.

Papua New Guinea – safety focus for FY22

- Our safety objective for the Hidden Valley Mine is to remain fatality-free and continue our exceptional safety performance of the past financial year, which ended with our LTIFR at 0.00 and an injury-free final quarter
- Our focus is to achieve zero harm through strong visible leadership and critical control field checks, proactive high-potential incident intervention and improvement, and engaging proactively with our workforce.

Health

While Covid-19 remains a significant challenge, the pandemic has underscored the flexibility and effectiveness of our healthcare strategy and its pivotal role in supporting our business.

Duty of care

Occupational lung diseases (including TB) and noise-induced hearing loss are the primary occupational illnesses at our South African operations. We also focus on identifying and managing non-occupational disease like HIV in the country, as well as other chronic illnesses (hypertension and diabetes). In Papua New Guinea, we have a proactive approach to dealing with malaria.

Our approach to healthcare is proactive and risk-based, aiming to ensure quality healthcare service that is easily accessible to all our employees. This approach is founded on our firm belief that every employee deserves a fulfilled and healthy life. It is important that our employees are fit for life, fit for work and fit to retire. While the first wave of Covid-19 in 2020 tested all healthcare systems and personnel to the fullest, the knowledge and experience gained stood the Harmony healthcare team in good stead as we managed successive waves with significantly improved medical outcomes (refer pages 63 and 64).

Our healthcare strategy is based on four pillars:

- Education, awareness and promotion of good health
- Disease prevention and risk management
- Clinical intervention (treatment programmes)
- Continuous risk profiling.

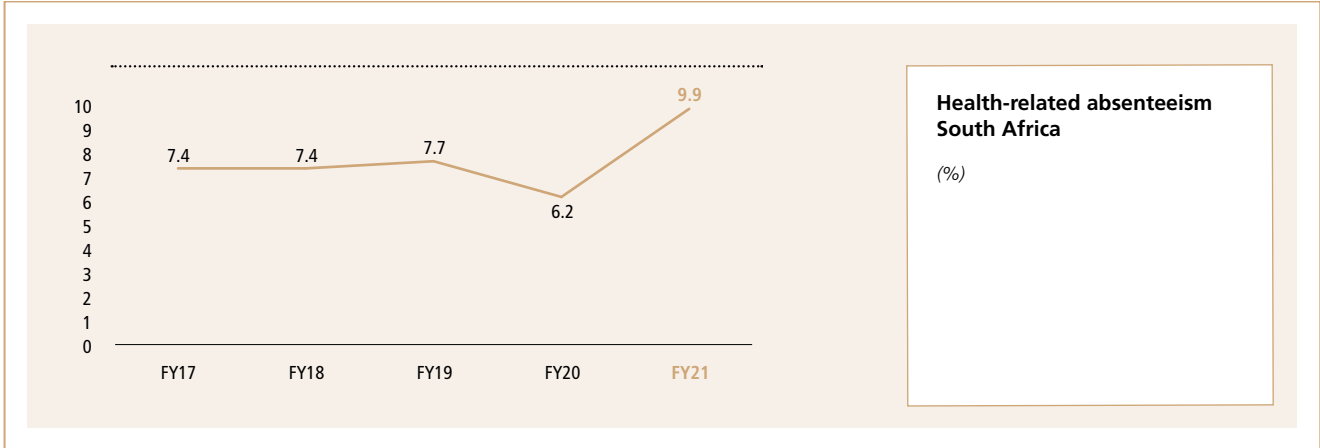
The aim of this proactive strategy is to manage illness by identifying and treating disease early to help prevent permanent adverse health impact. Medical surveillance, active case finding, early detection and treatment are integral aspects of our healthcare system.

Dedicated health hubs at all our operations cater for the primary and occupational health needs of our employees and, in some cases, host community members. Each health hub is staffed by doctors, nurses, allied healthcare workers and pharmacists. Medical doctors are part of the operational team in each mine.

Our performance FY21

In FY21, we spent R1 billion (US\$65.3 million) on health-related initiatives across the group. Of that, R291.6 million (US\$18.9 million) was for Covid-19 preventative initiatives in South Africa. By year end, we were leading the industry in rolling out Covid-19 vaccination programmes. We aim to vaccinate over 80% of employees within six months, and then extend this to South African community members. Harmony has committed R86 million to the vaccination programme for employees, their families and the wider community in South Africa.

South Africa



Increase in FY21 due to Covid-19.

COVID-19 DASHBOARD

30 September 2021

RSA	MINING SECTOR	HARMONY	TESTING RATES
Tests 17 690 407	Tests 254 095	Tests 25 390	Harmony 56%
Cases 2 902 672	Cases 51 588	Cases 4 438	
Deaths 87 626 3%	Deaths 698 1.4%	Deaths 76 1.7%	Mining sector 56%
Recovered 2 773 344 Vaccinated 17 235 127	Recovered 50 482 Vaccinated 208 127 Community 946	Recovered 4 328 Vaccinated 30 662 (1st job)	RSA 29%

SAFETY AND HEALTH continued

The benefits of our balanced strategy for managing the spread and severity of Covid-19 are illustrated above, with Harmony outperforming the mining sector and country on testing and vaccination rates. Effective case management contained the death rate to in line with our sector and well below the national average.

With protocols for managing Covid-19 now well entrenched, we were able to focus more on initiatives that support our strategy of promoting employee wellness, ensuring good healthcare and managing diseases.

Harmony spent R714.7 million (US\$46.4 million) on free medical costs and medical-aid contributions in South Africa in FY21 (FY20: R660.4 million; US\$42.2 million). The main drivers were inflationary increases in the cost of medical goods and services, particularly personal protective equipment, and a higher hospitalisation rate from Covid-19-related referrals. The full impact of pandemic-related health costs was evident in the review period.

Papua New Guinea

Expenditure on medical and healthcare	FY21	FY20
Total (Rm)		
Total excluding Covid-19	12.68	18.85
Covid-19-related management	289.81	Not reported



Mponeng vaccination centre.

HARMONY'S RESPONSE TO COVID-19

Our Covid-19 risk management strategy has proven effective over the past 18 months. Our aim remains to reduce the probability of an employee contracting the virus and to limit the severity if infected.

Health protocols underpinning our strategy are aligned with best practice and guided by information from the World Health Organization, National Institute of Communicable Diseases, South African Department of Health and Minerals Council South Africa. These protocols were also informed by extensive and ongoing discussion with our trade union stakeholders.

Our preventative measures include:

- Preventative personal hygiene procedures
- Compulsory use of personal protective equipment (PPE) guided by occupational risk, especially face masks, across our workplaces and offices
- Communication and awareness campaigns (for employees and communities) on hygiene and social distancing
- Identification, care and counselling of high-risk employees (especially those who do not know their health status, those who have not managed their health if they have an identified chronic disease, those older than 60 and employees with pre-existing medical conditions). The Harmony policy guiding the way we should be caring for these employees was recommended for adoption in the industry as a leading practice in managing employees who are vulnerable to Covid-19
- Online collaboration with best practice medical centres to support our more remote sites, including admitting hospitals
- Stressing identification of symptoms and urgency of self-isolation if displaying symptoms and/or exposed to positive Covid-19 cases
- Rigorous screening of employees at work; testing and managing employees with symptoms of Covid-19
- Each of the regions has accredited isolation and quarantine sites that can accommodate a total of 1 038 employees across the group who have contracted Covid-19 or come into contact with infected individuals, and who do not need hospitalisation
- Increased frequency of occupational health visits and inspections by relevant national government departments to monitor Covid-19 compliance
- Symptom questionnaire and thermal screening of all individuals who enter our operations, and employees at all key points
- Reducing the number of workers in a crew to a maximum of 15 to enable social distancing underground
- Customising lift shafts and their operation to ensure appropriate social distancing in cages to reduce capacity to 75%

- Capacity on road transport reduced to 60-70% of licensed capacity and adjusted in line with risk levels
- Frequently spraying waiting areas with disinfectants and sanitising all hard surfaces
- Placing hand sanitisers and additional hand-washing stations on surface, at entrances to all operations and outside the mine at taxi ranks and in company transportation
- All equipment and machinery is sanitised at the start and end of each shift underground.

In addition, we have established four mass-vaccination sites that have received permits to vaccinate from the South African Pharmacy Council and Department of Health. Two of our pharmacies are permitted to store vaccines. The sites below are officially registered on the government's master facility list and have capacity to vaccinate 400-700 people per day.

- Harmony Moab vaccination facility
- Harmony Mponeng vaccination facility
- Harmony Tshepong vaccination facility
- Harmony Brand 5/Unisel vaccination facility.

In combination, our extensive preventative measures have contained the spread of Covid-19 among our employees. With the knowledge gained from treating infected employees in the first wave, we were able to significantly reduce the death rate in the second. Given the benefits of our leading practices, government representatives requested access to our hospitals in Carletonville and Orkney, while the ministers of health and mineral resources and energy visited the Mponeng facility.

The Harmony vaccination programme began on 25 June 2021. By 30 September, 30 662 employees had been vaccinated, with just over 17 762 receiving their second shots. The programme initially focused on high-risk employees and is now working towards the so-called herd immunity target. Harmony has committed to extend the vaccination programme to families and communities to support global efforts to reach herd immunity and minimise the impact of the pandemic in our communities.

At end 30 September 2021	
Employees tested	25 390
Employees testing positive	4 438
Employees recovered	4 328
Deaths	76 (including contractors)
Vaccinations	Programme started on 25 June
Workforce vaccinated (%)	30 662 (63% of total)
Community members vaccinated	Programme to start in October 2021

As at 14 October 2021, 73% of employees have been partially vaccinated and 45% have been fully vaccinated.

EMPLOYEE WELLNESS AND HEALTHCARE

Healthcare delivery

At our South African operations, membership of a medical scheme is compulsory for all officials and management employees. Membership is voluntary for category 4-8 employees, with 9 793 employees participating in medical schemes in FY21 (FY20: 8 122). The increase reflects the acquisition of Mponeng Mine. Harmony subsidised related costs on behalf of employees by R25.7 million (US\$1.7 million) a month (FY20: R20.0 million or US\$1.3 million). The higher subsidy reflects the integration of Mponeng employees.

In total, 28 447 category 4-8 employees elected not to join private medical schemes. Instead, they use the free in-house comprehensive health services from mine medical health facilities and associated preferred providers, with secondary and tertiary care provided at private hospitals/health facilities. The cost of providing these services was R53.6 million (US\$3.5 million) a month in FY21 (FY20: R35.0 million; US\$2.2 million).

For employees who do not belong to a medical scheme, dedicated health hubs at all our operations undertake health promotion and prevention, active case-finding and screening as well as active management of chronic conditions. Medical surveillance is conducted at these hubs for all employees and contractors. In total, 68 651 medical examinations were conducted in FY21 (FY20: 49 326). The increase reflects opening up examination facilities post-lockdown and incorporating Mponeng Mine into the system.

The new integrated health management system (electronic health record) was implemented, starting at Doornkop in November 2020. This allows for a more holistic view of an employee's health status by incorporating occupational, primary health, injury-on-duty and chronic disease management on one platform. This eliminates manual processes and ensures more timely, effective and complete clinical management of the employee. To date, the system is live at Kusasaletu, Moab, Target and Joel medical hubs. It will be rolled out to all medical hubs by the end of FY22.

The integration of Mponeng Mine into Harmony on the health stream was smooth, with health services fully in-sourced from July 2021 and aligned to the company strategy.

The Vaal River Gateway Pharmacy at Orkney has been accredited as a training facility for pharmacist assistants and interns by the South African Pharmacy Council, and the responsible pharmacist issued with a tutor certificate. Both Harmony-owned pharmacies are now ready to contribute to training in this sector.

Mental health

Global research indicates that mental illness in the workplace could rise by over 60% in the next few years, exacerbated by enforced changes during the pandemic. Psychosocial illness can be caused by a range of social and financial issues faced by employees daily.

To address this, we enhanced our employee psychosocial programme early last year, in partnership with the Reality Wellness Group, for all employees and immediate family members irrespective of their medical insurance status. This multifaceted programme offers face-to-face counselling or telephonic advice by qualified social workers and psychologists, as well as financial guidance for those struggling with debt, and legal support where needed. The service is available 24/7 in nine official South African languages. Our employees can access the service by sending a 'please call me' message, via a toll-free number or email. Uptake improved in FY21, with 742 employees engaged and 1 458 calls on the hotline. Adjustment disorder, anxiety, relationship and children issues were among the top psychosocial risks.

While Covid-19 has disrupted the programme's roll out, it also underscored the need for a strategy to assist our employees in dealing with psychosocial issues. The pandemic has had a significant impact on the morale of our employees and, in late FY20, we launched a programme to address the psychosocial effects of lockdown and the quarantine process. This included daily engagements with employees in isolation and quarantine centres as well as support groups for our healthcare workers. This programme was particularly noted by our employees as an invaluable aspect of the care and support during compulsory isolation and quarantine periods.

The second phase of the project is to raise awareness among line management and equip them with the necessary knowledge to ensure optimal use of the programme. This will begin in the second quarter of FY22.

Integrated lifestyle programme

Excess weight and obesity are challenges faced by around two-thirds of our employees. Obesity remains a health risk for non-communicable diseases as well as managing Covid-19. To encourage positive lifestyle changes, we have developed an integrated lifestyle programme to improve the health and wellbeing of all employees. This will assist in addressing the rampant rise of non-communicable diseases as well as mental health-related matters. There are currently 2 006 employees enrolled in the programme.

The roll out of the integrated health management system at our operations will ensure improved management and follow-up of cases enrolled in the lifestyle programme.

Managing health-related absenteeism

Health-related absenteeism is a risk to the productivity of our workforce. Over recent years, our at-work management programme has focused on early identification of employees who may become chronically ill or medically incapacitated by debilitating diseases, and to manage, review and monitor their medical conditions.

	FY21	FY20	FY19	FY18	FY17
ABSENTEEISM					
Health-related absenteeism (%)	9.9	6.2	7.7	7.4	7.4

The regression in FY21 was largely as a result of Covid-19 management which included isolation and quarantine of employees affected and those coming back from SADC countries.

To cater for Covid-19-related absenteeism, categories were revised to include:

- Isolation, ie separating employees who have tested positive and are infected, accounted for 0.6% of labour unavailability
- Quarantine, ie separating employees who might have been exposed, accounted for 1.4% of labour unavailability.

Managing occupational diseases

Occupational diseases present some of the key risks to our business. There could be severe health implications for employees who fall ill, as well as potential financial liability and reputational damage to Harmony. As such, managing and preventing occupational diseases remains a priority. Occupational lung disease, noise-induced hearing loss (NIHL) and heat-related illness remain our key concerns.

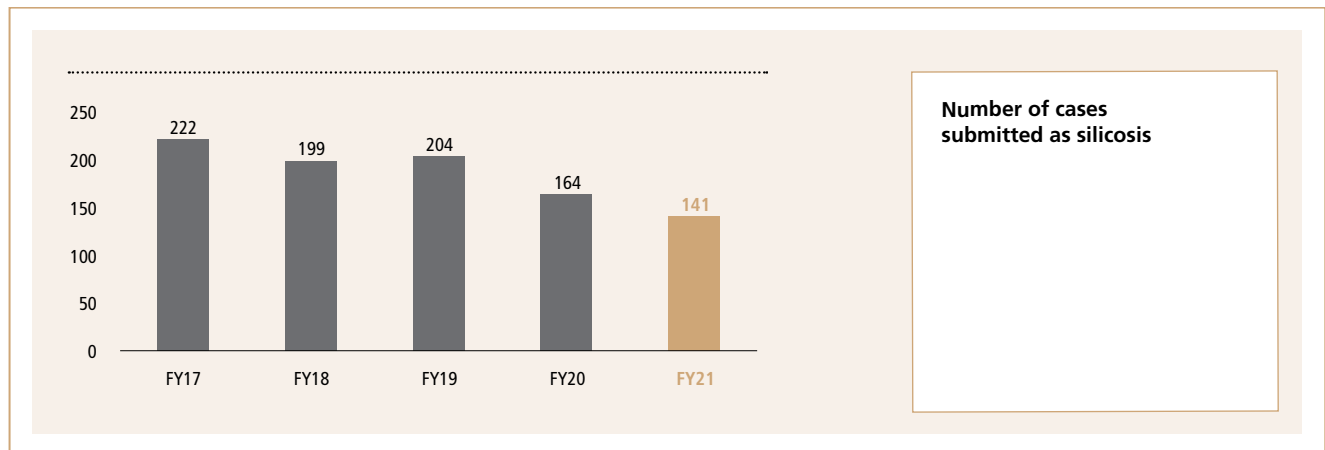
Silicosis

Silicosis is an occupational lung disease caused by inhaling free respirable crystalline silica dust over a long period. It can also

increase susceptibility to TB. Given the severe risk posed by silicosis, Harmony has an integrated silicosis, TB and HIV/Aids policy and programme to responsibly manage the disease and proactively prevent associated health deterioration.

For our South African operations, our aim is to eliminate silicosis entirely. To achieve this, we adopted the South African gold mining industry 2024 milestone for silica dust exposure (95% of all personal silica dust samples must be below 0.05mg/m3 by 2024). To achieve this goal, we set annual targets to reduce dust loads. The target for 2021 was 92.0%. The milestone compliance for Harmony for quarter 2 of 2021 was 86.3%, with most metallurgical plants and a third of the mines above the aspirational target of 92%.

In FY21, 141 cases of silicosis were submitted to the Medical Bureau for Occupational Diseases and 54 were certified (FY20: 164 cases reported and 67 cases certified). No new cases were noted among previously unexposed individuals entering the mining industry in 2009 as per the MHSC 2024 occupational health milestone. To date, two certified cases among previously unexposed employees have been recorded.



Dust control at our South African operations

As silicosis is caused by inhaling silica dust over time, our objective is to eliminate dust as far as possible. Dust is discharged during activities where rock is broken at source, such as stoping, development and trackless mining. Engineering controls to allay dust have been implemented or are being rolled out at our underground operations to minimise employees' exposure to silica dust. This includes leading practices as advocated by the Mining Industry Occupational Safety and Health (MOSH). Last year, we installed in-stope atomisers at most operations, and at Moab Khotsong early in FY21.

The main thrust of reducing exposure to silica dust is to ensure that the status and effectiveness of our dust engineering controls is sustainable. Most of these engineering controls are in line with leading practices. In FY21, progress in implementing these engineering controls across Harmony's operations was as follows:

- Main tips – tip foggers (98.8%), tip covers (88.4%) and tip filters (92.7%)
- Main intake haulages – airway sprays (100%), spray cars (94.9%) and footwall treatment (67.3%)
- Stopes – winch covers (98.9%) and stope atomisers (85.8%)
- Continuous real-time monitors (92.7%).

EMPLOYEE WELLNESS AND HEALTHCARE **continued**

Tshiamiso Trust

Silicosis is a legacy issue in South Africa. In July 2019, the High Court approved the R5.2 billion settlement of the silicosis and tuberculosis class action suit between the Occupational Lung Disease Working Group – representing Gold Fields, African Rainbow Minerals, Anglo American SA, AngloGold Ashanti, Harmony and Sibanye-Stillwater – and lawyers representing affected mineworkers. Following a three-month opt-out process, the settlement agreement became effective on 10 December 2019.

A condition of the settlement was establishing a trust to carry out its terms and manage the compensation process.

The Tshiamiso Trust (Setswana for “to make good” or “to correct”) will facilitate tracking and tracing of class members and administer claims and payments to eligible claimants or their beneficiaries.

Harmony was central in settlement negotiations and actively involved in establishing the trust. In addition, it has made provision to contribute R854 million towards the court-approved gold mineworkers’ class action silicosis settlement.

The first payouts were made in July 2021, and momentum is expected to increase now that the trust is fully operational.

Settling claims in South Africa

Harmony has taken a lead role in helping the Medical Bureau of Occupational Diseases address the severe backlog in occupational lung disease compensation claims in support of Project Ku-Riha, launched by the Department of Health in 2015. In facilitating the settlement of claims due to eligible current and former Harmony mineworkers, the Harmony ReConnect department has developed various initiatives to track and trace mineworkers, and to provide operational support and resources where appropriate.

In FY21, Harmony facilitated settling 1 020 occupational lung disease claims totalling R37 million. This brings the number of settled claims to around 13 800 and total value of R276 million paid to Harmony’s current and former miners since October 2015 from the Occupational Diseases and Works Act commissioner’s fund.

Harmony and its peers have collaborated with the Minerals Council South Africa to establish a cogovernance model with the Department of Health which will contribute to funding and oversight of projects to improve the operations and performance of the Medical Bureau for Occupational Diseases and the Compensation Commissioner for Occupational Diseases.

Noise management – eliminating noise-induced hearing loss

Harmony aims to adhere to the requirement of the occupational health and safety milestone on eliminating noise-induced hearing loss or NIHL (that no employee’s standard threshold shift will exceed 25 decibels from the baseline when averaged at 2 000, 3 000 and 4 000Hz in one or both ears). The standard threshold shift, a sensitivity marker used to identify early deterioration in hearing, guides the modification and enhancement of occupational noise controls to prevent progression in hearing loss.

All Harmony employees exposed to high noise levels receive personalised hearing-protection devices, which reduce noise levels by 25 decibels.

There was a slight decrease in the number of employees compensated for NIHL in the past year – 71 cases were compensated in FY21 versus 80 in FY20. Moab Khotsong and Tshepong accounted for most of these cases.

A notable achievement was the adoption of the tyre-deflation noise reduction simple leading practice. The MOSH adoption team trained each of our occupational hygienists and equipped them with the necessary knowledge and resources to drive implementation of this practice at our South African operations.

Managing underground temperatures – limiting heat stress

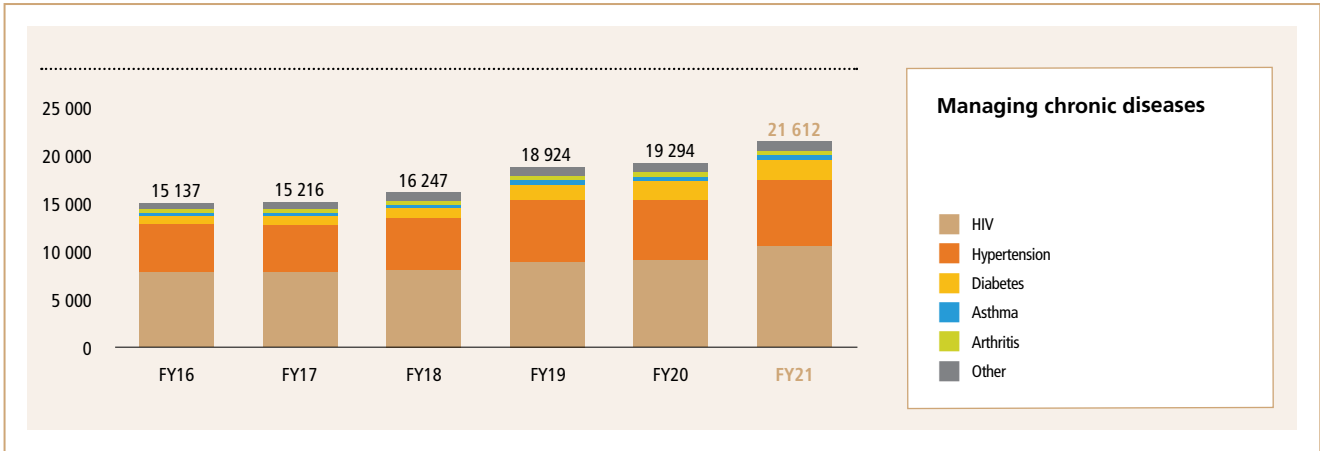
We have extensive refrigeration and ventilation measures at all operations where temperatures exceed normal working ranges. Heat-tolerance testing, acclimatisation programmes, and providing adequate hydration and support protect employees exposed to excessive heat in the workplace.

In FY21, 15 364 heat-tolerance screening tests were conducted, with 126 cases of heat-related illness reported (FY20: 17 654 tests and 78 cases). The further regression in the number of tests was largely attributed to the ongoing management of Covid-19 risk associated with this testing. Tests are conducted as per each mine’s risk assessments, which allows less-risky occupations to use natural acclimatisation to minimise the threat. An increased number of heat-related cases were reported, with Moab Khotsong, Tshepong Operations and Mponeng accounting for the majority. Environmental working conditions are monitored continuously.

Radiation protection

Radiation levels and exposure are monitored at all our South African operations. The dose limits are 50 millisievert a year and 100 millisievert over five years. All operations comply with these limits. Operational controls ensure that elevated monitoring results are investigated and corrected when necessary. Radiological clearances are conducted at decommissioned sites to ensure the future declassification of these areas.

Managing chronic diseases



HIV/Aids

HIV/Aids remains a severe scourge in South Africa. Despite significant progress in raising awareness and prevention, as well as the national roll out of antiretroviral therapy, the epidemic continues to significantly affect our employees and their dependants. A particular concern for Harmony is that, if left untreated, the disease can lead to higher levels of opportunistic coinfections. This clearly translates into higher absenteeism and reduced performance, loss of skills, greater economic burdens on family members, and sometimes death, more so during the Covid-19 pandemic.

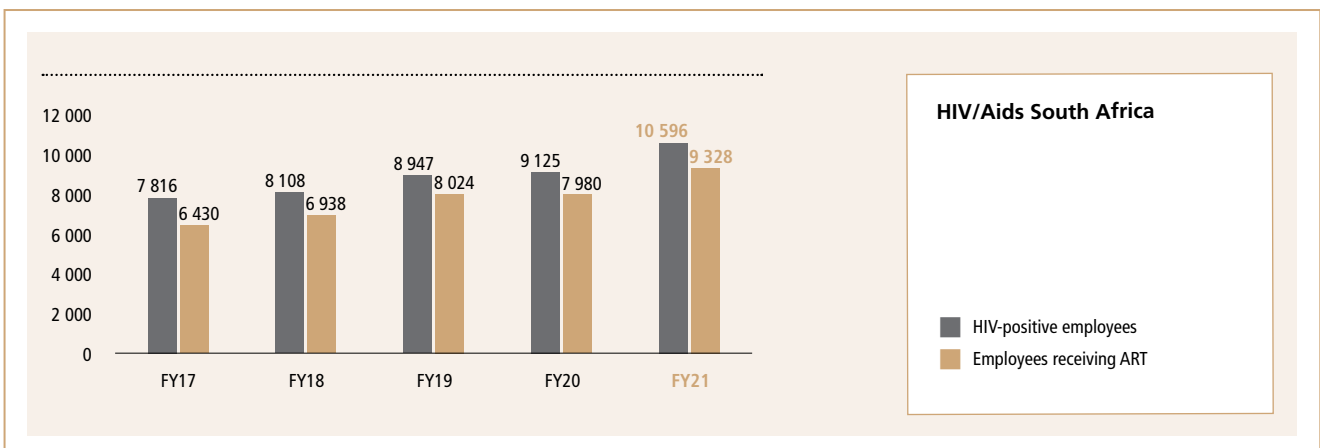
However, motivating employees to confirm and/or disclose their HIV status remains a challenge, worsened by perceived stigma and confidentiality issues. This makes initiatives such as positive behaviour programmes pivotal. At our South African operations in FY21, 10 593 employees (FY20: 9 125) were identified as HIV-positive and 9 328 (FY20: 7 980) are on the HIV/Aids programme and receiving antiretroviral therapy.

Last year, we introduced a new drug, Dolutegravir, to our first-line treatment regimen. This drug suppresses the virus much faster, with fewer side-effects. As a result, the percentage of people suppressed improved to 78% in FY21, from 71% in the prior year. Expectations are that the roll-out of this drug will support South Africa in achieving the United Nations Programme on HIV and Aids (UNAids) 90-90-90 targets. Harmony has aligned its HIV/Aids programme to this global campaign.

Target	Harmony status (South Africa)		
	FY21	FY20	
90%	Of all people living with HIV will know their status (%)	76	83
	Of all people with diagnosed HIV infection to receive sustained antiretroviral therapy (%)	86	85
	Of all people receiving antiretroviral therapy to have viral suppression (%)	78	71

Voluntary counselling and testing

Pre-test counselling and voluntary testing are offered to all employees through ongoing initiatives at our healthcare hubs. In FY21, 50 949 (FY20: 45 005) employees received voluntary counselling and testing, with 48 308 (FY20: 42 804) confirming their status. Again, the Covid-19 pandemic has affected progress – for example, just before lockdown, 86% of people living with HIV knew their status. This fell to 83% for FY20 as we had reduced access to a large percentage of our workforce.



EMPLOYEE WELLNESS AND HEALTHCARE continued

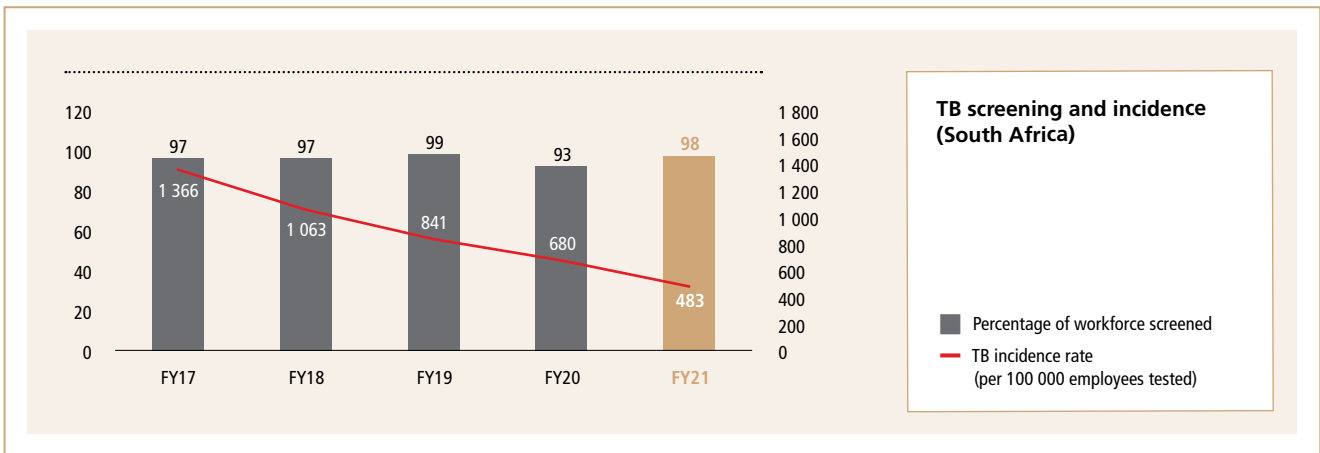
Tuberculosis

Alongside HIV/Aids, tuberculosis (TB) is the other most pressing chronic disease confronting our healthcare team – the TB incidence rate at our South African operations remains high compared with World Health Organization and national benchmarks.

To address this, we are working to proactively reduce the rate of TB incidence per 100 000 employees to below the national level by December 2024 to ensure we meet the industry milestone. Our TB control programme – aligned with the relevant guidelines and prescriptions of the World Health Organization and national strategic plan to combat TB – focuses on contact tracing, comprehensive

screening, testing, hospitalisation of infectious cases and a directly observed therapy short course. Our target includes screening over 95% of our employees for TB every year. Additionally, our programme includes a TB prophylaxis programme for high-risk employees.

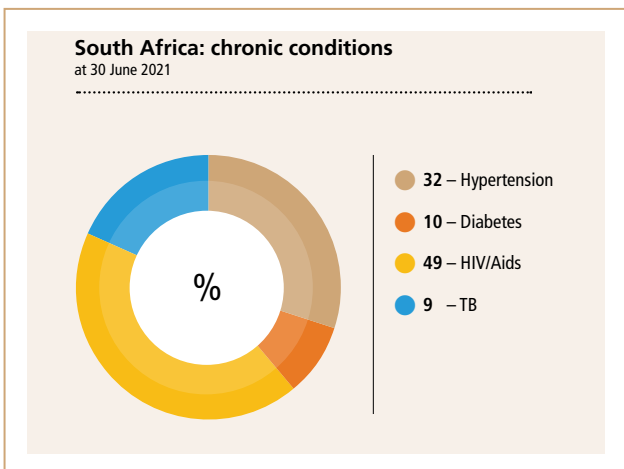
This programme is bearing fruit as the group TB incidence rate continued to decline in FY21, dropping 29% year on year. In FY21, 44 301 employees and contractors were screened for TB, or 98% of the workforce compared to the 90% target set by the minister of health. A total of 125 cases of TB were certified in FY21 (FY20: 101).



Lifestyle diseases

Non-communicable chronic diseases, including hypertension, heart disease and diabetes, are a significant challenge for our employees.

Specific initiatives have been implemented to manage chronic diseases with particular focus on HIV/Aids, TB, diabetes and hypertension. In FY21, the percentage of employees at our South African operations with a chronic condition remained unchanged at 61%. The breakdown of the 21 612 employees diagnosed with chronic conditions is shown below.



Papua New Guinea

Our healthcare strategy in Papua New Guinea followed a similar pattern to that in South Africa in the review period. While we continued to focus on meeting the primary healthcare and occupational health surveillance needs for our employees and contractors, there was also a specific focus on addressing the pandemic. Expenditure on medical and healthcare in Papua New Guinea was R12.68 million (PGK2.9 million) in FY21 (FY20: R18.85 million; PGK34.12 million), with a further PGK66.3 million (R290 million) spent on managing Covid-19.

Primary healthcare

All primary healthcare needs and occupational health surveillance are provided to our employees and contractors through medical centres at Hidden Valley and Wafi-Golpu. The medical centres are staffed by a team of full-time doctors and nurses who work a 6-week on/ 3-week off roster. We use online medical registers to track and review each patient's progress from first visit to final treatment. Our medical centres are equipped to deal with most work and non-work-related injuries, illnesses and diseases.

In total, 11 489 health examinations were conducted at our medical centres in FY21 (FY20: 20 452), of which 31% were random drug and alcohol tests (FY20: 17%).

Tuberculosis and HIV/Aids

Given the humid climate, upper respiratory tract infections and TB are our main medical concern in Papua New Guinea. To effectively manage TB, we have a digital X-ray machine, GeneXpert lab machine and a medical laboratory to accurately diagnose this chronic disease as well as other tropical diseases. In FY21, 707 employees were treated for respiratory ailments (FY20: 1 905). The emphasis on hygiene – regular hand-washing and wearing masks – in combating Covid-19 contributed to the decrease in these infections.

For HIV/Aids, 323 employees were voluntarily tested and given counselling during the year at Hidden Valley, compared to 79 in FY20.

Occupational health – noise management

As an open-pit operation, Hidden Valley uses large mining vehicles and earth-moving equipment, making it a noisy environment. To counter this, we have a robust programme for noise monitoring and ensure employees wear the correct hearing-protection devices at all times.

Lifestyle diseases and mental health

In FY21, the rising trend in the number of employees and contractors suffering with lifestyle diseases continued. Chronic heart disease, hypertension and diabetes are the most common ailments. There has also been a concerning rise in the number of mental-health issues.

Malaria

Malaria is endemic in many parts of Papua New Guinea. While this does not necessarily affect the Hidden Valley operation, given its high altitude, the disease poses a risk to employees, contractors and communities living in valleys below, where it is rampant. It is also a risk for our Wafi-Golpu employees and contractors.

In FY21, 177 people were diagnosed with malaria, a 130% increase on FY20. However, the vast majority of these patients experience only very mild symptoms. Our community health projects play a vital role in combating the disease, particularly given its high mortality rate among young children. In the review period, we also increased spraying and fogging measures at our Covid-19 entry point centres in Bulolo, Lae and Wau.

Several malaria management programmes are in place among our communities at Wafi-Golpu. These include malaria awareness and education campaigns, and distributing mosquito nets to households, particularly those with young children.

Community health

Ensuring the health and wellbeing of our communities is a focus for our healthcare team in Papua New Guinea. Our community health outreach programme is led by our medical department and a health extension officer. To address endemic conditions in our communities, we facilitate assessments and engagement with community health providers on obstetrics training, monitoring upper respiratory health and malaria prevention. Additional medical assistance for the community includes emergency transport and transfers to health centres in Bulolo and Lae. We also work with the Papua New Guinea Department of Health on polio and cervical-cancer vaccination programmes.

Since the advent of the pandemic, we have sought to support our host communities by donating medical supplies, participating in Covid-19 emergency response planning, and community education and awareness. At Hidden Valley Mine, village liaison officers were issued with digital thermometers to assist with health checks in villages (each village has resident health staff); and we donated 48 cartons of soap to landowner village and health centres. Our community affairs team serve on the Wau Covid-19 emergency committee and supported local government-led Covid-19 awareness sessions in Wau and surrounds throughout the review period. In addition, we have distributed Covid-19 awareness flyers to 340 families, with associated safety messaging on Hidden Valley Mine’s Facebook page. We have maintained weekly communications with village liaison officers as well as village and community leaders on the pandemic. We are at present working closely with the Morobe provincial health authority in its initiatives to roll out the country’s Covid-19 vaccination programme.

Similarly, the Wafi-Golpu joint venture continually monitors national, provincial and community developments. It is also facilitating Covid-19 community awareness and daily feedback from village liaison officers based in the special mining lease area villages and Wagang. Community affairs team members distributed 18 boxes of medical supplies from Lae’s medical store to the Wafi community clinic, and assisted with sorting and forwarding these supplies to the Zindaga, Babuaf and Timini aid posts. Senior project team members have participated in key Morobe Province committees and the Lae city Covid-19 awareness programme roll-out.

Health statistics – Papua New Guinea

	FY21	FY20	FY19	FY18	FY17
Health examinations conducted	11 489	20 452	17 601	15 198	13 133
Employees treated for respiratory ailments	707	1 905	2 191	2 581	2 427

Focus areas for FY22






For both South Africa and Papua New Guinea, the focus for much of FY22 is expected to remain on managing the Covid-19 pandemic and supporting the vaccination roll-out in our workforce and host communities. At the same time, we will prioritise our other healthcare initiatives, particularly those for occupational and lifestyle diseases.

CARING FOR OUR WORKFORCE

Employees

The success of our business depends on the productivity of our workforce – our human capital. Backed by a motivated, engaged and productive workforce, Harmony is able to deliver on its business strategy and create sustained and shared value for all our stakeholders.

Capitals affected

Directly	Indirectly
 HUMAN CAPITAL	 SOCIAL AND RELATIONSHIP CAPITAL
 INTELLECTUAL CAPITAL	 MANUFACTURED CAPITAL
	 FINANCIAL CAPITAL

Stakeholders affected
 Employees Other stakeholders engaged include government and regulators

Strategic pillars

 Responsible stewardship	 Operational excellence
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Responsible committee
 Social and ethics committee

Related risks


- Covid-19 pandemic – spread of infection and potential impact on business sustainability
- Failure to eliminate fatalities and improve safety performance.

GRI standards
Prepared in accordance with: 102-8, 102-41, 201-3, 202-1, 202-2, 401-1, 401-2, 403-1, 404-2, 404-3, 412-1, 412-2, 412-3 and MM4

Contributing to the SDGs:

Ensuring a stable, engaged and productive workforce is important in achieving our strategic objectives. As a fair and responsible employer, promoting inclusivity and equality, our human relations strategy contributes directly to SDGs 5 and 8.

	
<ul style="list-style-type: none"> • Gender equality is an important aspect of our human resources policy • Gender diversity targets are in place and we are actively increasing the number of women employed across the company, at all levels. A particular focus is women in mining – in South Africa and increasingly in Papua New Guinea. 	<ul style="list-style-type: none"> • As a responsible employer, providing decent work includes respecting human rights, ensuring we do everything possible to safeguard employees, ensure workplaces are safe and prevent injury or harm so that employees return home, safe and well • Employees have the right to refuse to work when they consider a workplace unsafe • Training and support encourage safe behaviour and conduct.

 For more information on our contribution to the SDGs, see [Our sustainability strategy](#).

Our approach

We respect and value our human capital as a key asset and strive to maintain a sound and trusting relationship with employees.

Our approach to employee relations reflects our firm belief that each person is critical to our business strategy and should be engaged on the basis of mutual respect and trust. As such, each employee must be given the opportunity to develop their full potential, so they are 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 wellbeing is central to our approach in ensuring positive employee relations. For more information, see Safety and health.

The tenets underpinning our approach include:

- Upholding the principle of fairness; enacting our employment equity policy through personalised development and training to empower individuals to contribute to the company and broader society

- Recognising and capitalising on the rich diversity of our people while ensuring local communities have preferential recruitment opportunities
- Aiming to generate benefits through our employee shareholder schemes in South Africa
- Where Harmony is expanding its geographic footprint, ensuring 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.

Governance

Our employment policies and practices comply with relevant labour legislation in South Africa and Papua New Guinea. They are also aligned with the guidelines of the International Labour Organization. Recruitment initiatives focus on local communities in both countries. All related procedures and policies, including remuneration and incentive schemes, are reviewed regularly.

Our performance FY21

Key metrics	South Africa	Papua New Guinea
Total workforce	45 734	2 228
Historically disadvantaged persons* (South Africa)/local (Papua New Guinea)		
– Total workforce (%)	73	96
– Senior management (%)	55	14 ¹
Female employees (%)	16	14
Employee turnover (%)	8	11
Employee remuneration		
Employee wages and benefits paid (Rm)	14 452	871
Ratio of minimum wage to average wage paid (%)	50	2.5
Training spend per employee (R)	12 910	16 708

* Includes women.

¹ Harmony South-east Asia executive committee, excluding joint ventures and operations.

📄 See **ESG data tables** for more details.

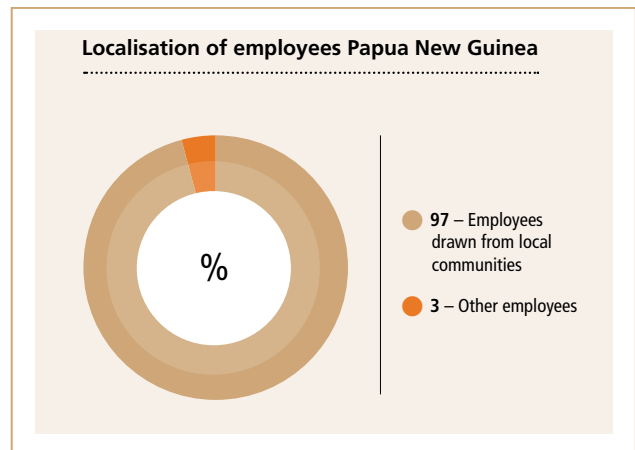
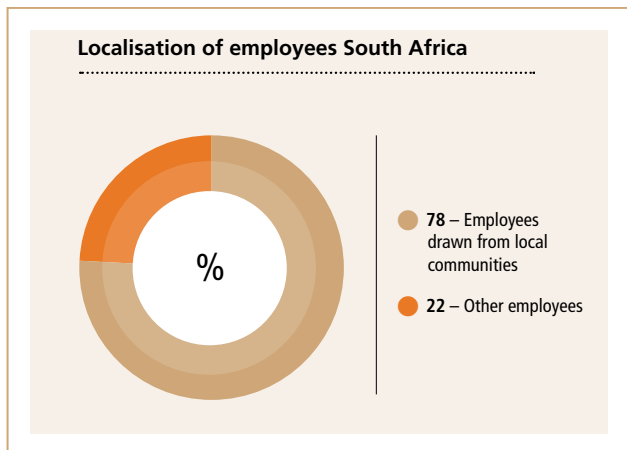
Workforce profile

Region	Permanent employees			Contractors			% of employees drawn from local communities		
	FY21	FY20	FY19	FY21	FY20	FY19	FY21	FY20	FY19
South Africa ¹	36 860	31 502	31 201	8 874	5 841	6 159	78	76	79
Papua New Guinea ²	1 599	1 589	1 675	780	782	738	97	96	96
Harmony – total	38 459	33 091	32 876	9 654	6 623	6 897			

¹ Includes all South African underground and surface operations.

² Excludes employees of the Wafi-Golpu joint venture.

CARING FOR OUR WORKFORCE continued



South Africa

In FY21, our South African workforce increased to 45 734 (FY20: 37 343), with 81% being South African nationals – 78% from local communities and 4% from the Eastern Cape – and the remainder from neighbouring countries, primarily Lesotho and Mozambique.

Impact of pandemic on remuneration – South Africa

The pandemic has had an extraordinary impact on our society and economy, both in South Africa and Papua New Guinea. For the past 18 months we have faced the challenge of sustaining our business in a severely disrupted environment, but remained resolute about being transparent with employees, particularly on remuneration.

Since March 2020, different pay arrangements in South Africa were negotiated and agreed to by organised labour for the initial lockdown period. At all times, we endeavoured to balance the financial needs of our business with those of our employees.

Employment equity and gender diversity

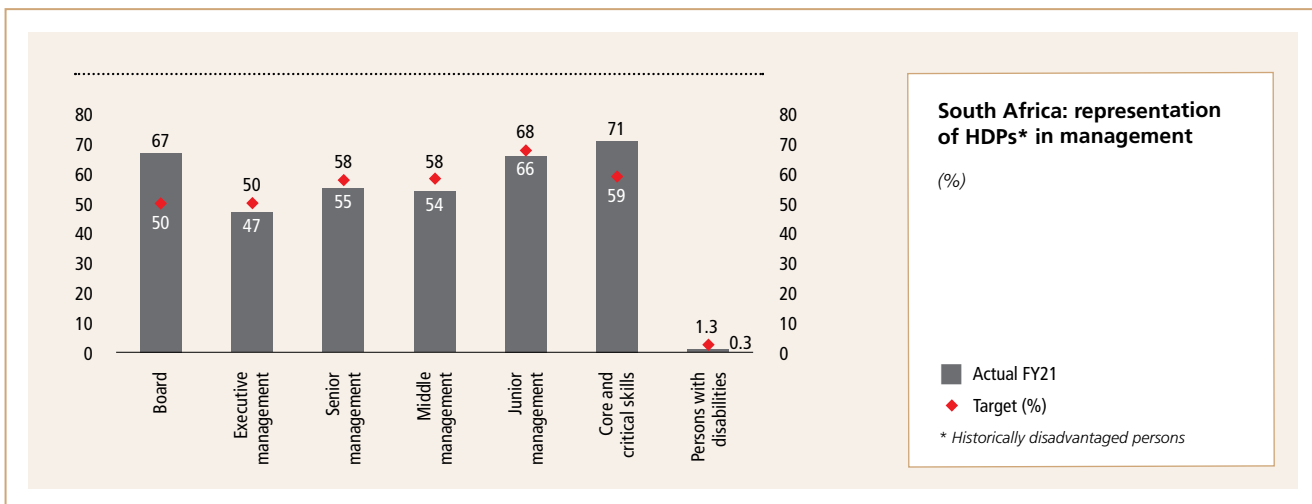
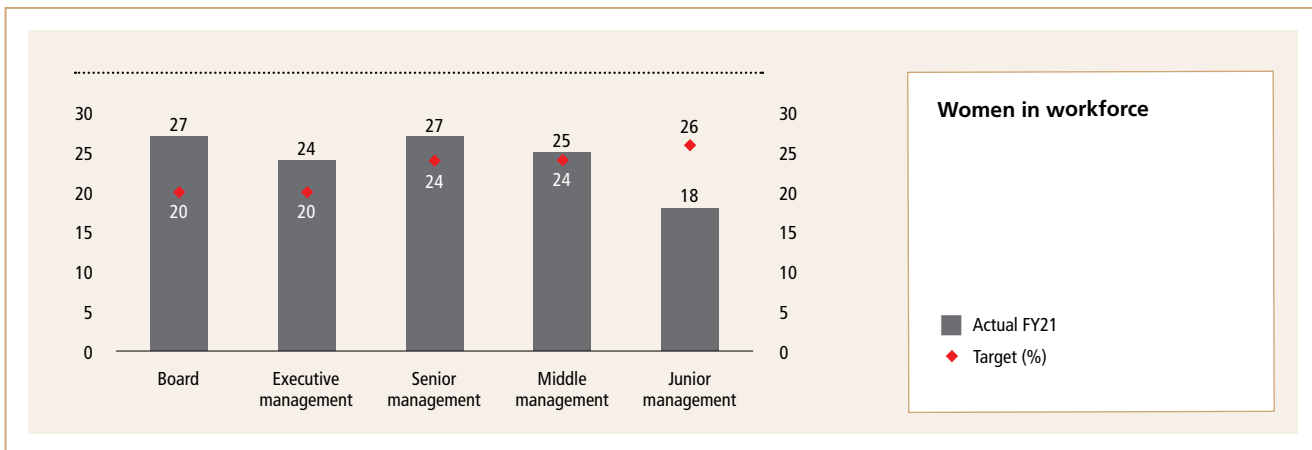
We are making good progress in creating and maintaining a workforce that represents the diversity of the South African population. This makes us a good corporate citizen, in the South African context, and ensures compliance with the employment equity targets of the mining charter. These targets aim to redress historical imbalances, particularly at managerial levels, experienced by certain population groups and women.

To comply with current employment equity targets, we have accelerated the representation of historically disadvantaged persons (HDPs) in managerial positions to ensure greater gender diversity in our business. In FY21, HDP representation in management increased to 65% (FY20: 64%).

Mining Charter III: employment equity performance by category at 30 June 2021

Occupation category	HDPs ¹			Women		
	Target (%)	Actual FY21	Actual FY20	Target (%)	Actual FY21	Actual FY20
Board	50	67	67	20	27	28
Executive management	50	47	50	20	24	25
Senior management	58	55	55	24	27	29
Middle management	58	54	53	24	25	23
Junior management	68	66	65	26	18	18
Core and critical skills	59	71	70	N/A	N/A	N/A
Persons with disabilities	1.3	0.3	0.4	N/A	N/A	N/A

¹ Historically disadvantaged persons include women and exclude white males and foreign nationals.



While we have made progress in meeting or exceeding HDP managerial targets, we have not yet achieved our gender diversity objectives. By the end of FY21, 16% of our total workforce, including contractors, were women, which is a 1% increase from FY20.

Harmony’s commitment to driving gender equality has been internationally recognised with our third inclusion in the 2021 Bloomberg Gender-Equality Index, which tracks the performance of public companies committed to supporting gender equality through policy development, representation and transparency.

The final area that still needs considerable improvement is employing people with disabilities. In FY21, employees with disabilities accounted for 0.3% of the workforce versus the 1.5% target. The nature of our operations and challenging work environments add complexity to achieving this target.

Gender-based violence campaign

The abuse of women and children is one of the most prominent scourges confronting South African society. Tragically, the many and serious impacts of the Covid-19 pandemic resulted in a “second pandemic” (Global Risk Insights) as cases of gender-based violence in the country soared. While gender-based violence is not a notable problem in Harmony, we are morally obliged to support the country’s fight to address this social evil. Building on an employee awareness campaign on gender-based violence in mid-2020, in the review period, we surveyed all employees and hosted online sessions with women-in-mining forums at all operations to gather feedback on the impact of this campaign and determine areas for improvement. The women-in-mining forums across all our operations continue to be a support system for women in the workforce, bringing issues to the attention of human resources for attention and recommendation.

In FY21, Hidden Valley Mine ran its own 16-day programme, coinciding with the United Nation’s international campaign “16 days of activism against gender-based violence”. The programme sought to shine a light on gender-based violence by sharing testimonials, group discussions and presentations, poems, song and dance.

CARING FOR OUR WORKFORCE continued

Papua New Guinea

There was a marginal increase in the total employee complement to 2 228 (FY20: 2 371). Currently, 97% of employees at the Hidden Valley operation are local, drawn from host communities, and the balance foreign nationals. This aligns with the prime minister's aim to increase employment among Papua New Guineans, particularly in the mining sector. Our focus remains on attracting and retaining locally recruited employees, particularly landowners and citizens.

Gender diversity

The proportion of women in the workforce remained steady at 14% in FY21. At management level, 0.1% are women. Promoting the employment of women was a particular focus at Hidden Valley in the past year, with a concerted drive to employ, train and develop women as haul-truck operators. By year end, 25% were women, and 46% of the operators of smaller haul trucks were women. To accommodate more female employees, we have provided additional, gender-specific accommodation and continue to run awareness campaigns to promote gender equality and combat gender-based violence.

Our target is to ultimately employ equal numbers of men and women. We are encouraged by our progress in increasing the number of female truck operators, despite an entrenched patriarchy in the Papua New Guinean culture. While this has posed a challenge, there are signs of incremental change and a growing acceptance of female colleagues at Hidden Valley.

Skills development and learning

We believe skills development, training and talent management are not just about providing opportunities to employees to achieve their full potential. Individual development is a social and business imperative to address dire skills shortages and the legacies of absent or skewed educational and training opportunities.

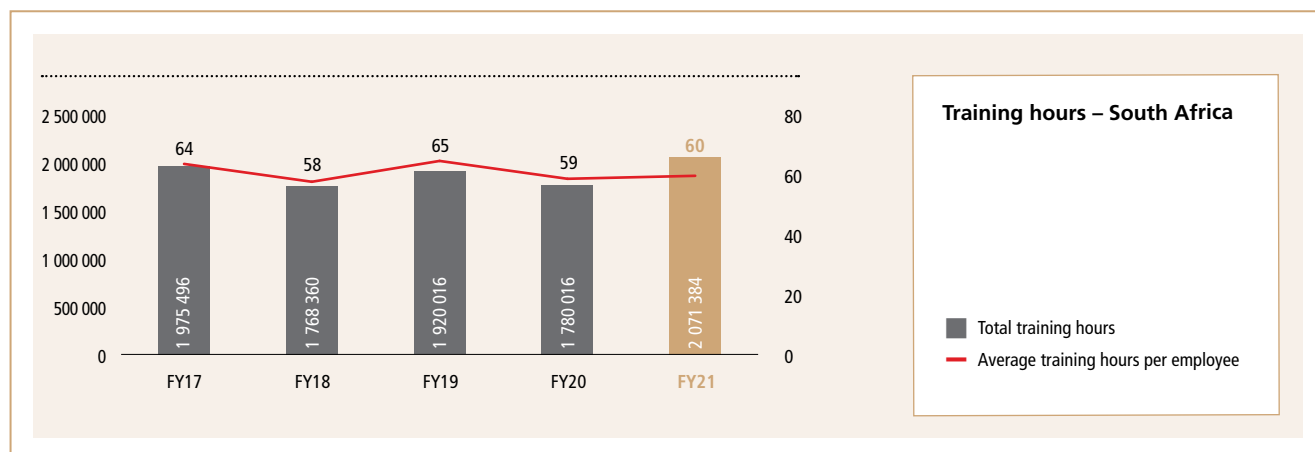
All employee training and skills development programmes are aligned with our strategic and operational needs. They are designed to enable our employees to acquire the necessary skills, resources and motivation to ensure optimum performance and productivity.

South Africa

In South Africa, Harmony is required by Mining Charter III to spend 5% of its annual payroll on the essential skills development of employee and communities. While we missed this target in FY20 due to lockdowns and other restrictions, all postponed training programmes were completed in FY21.

In FY21, 94% (FY20: 95%) of our South African workforce attended training and skills development, totalling R468 million or US\$30 million (FY20: R458 million or US\$29 million). This included South Africa-based research and development initiatives in exploration, mining, processing, technology efficiency, beneficiation and environmental conservation. A further 83 (FY20: 81) individuals employed in critical positions attended training.

Mponeng was successfully integrated into Harmony's human resources development processes in February 2021.



The graph above reflects all training conducted across all occupational levels in Harmony. This includes initial training, refresher training, skills programmes, learnerships and short courses.

Training and skills development programmes at our South Africa operations are summarised below:

Leadership development	<p>Harmony's leadership development programmes continue to give all employees the opportunity to develop to their maximum potential to meet current and future business leadership needs. There has been significant progress since the inception of the programme in 2018, and the leadership development competency framework is part of our initiative to improve organisational efficiency and innovation. The total intake for 2021 was 367 employees, on programmes from team leadership and supervisory right up to middle and senior management levels, split as follows:</p> <ul style="list-style-type: none"> • Middle and senior – 38 • Emerging and junior – 196 • Team leadership and supervisory – 133. <p>More core disciplines as part of the Thibakotsi journey have come on board and nominated employees to undergo leadership development programmes. The plan was exceeded at emerging and junior management levels. Total enrolments for core disciplines was 74%.</p>
Engineering training	<p>There are 388 engineering-focused learners, with strong HDP representation, in our training development pipeline. Of these, 326 were still active in the programme in FY21. In addition, six junior engineers and one certificated engineer are in training at various phases of the development pipeline.</p>
Mining training	<p>In FY21, 37 learner miners passed the blasting board exams and were assigned to production roles. Although Covid-19 affected our intakes, we enrolled 48 new learner miners on the programme.</p>
Adult education and training	<p>Own-time and part-time learning registrations increased to 105 (98 in 2020), and 36 learners registered for full-time classes. These programmes are being digitised to create a culture of adult and own-time learning with 24/7 access. The average pass rate for full-time classes improved to 75%, from 73% in FY20, while own-time learners achieved a 91% pass rate.</p>
Bursary programme	<p>Harmony awarded bursaries to 119 students at institutions of higher learning in South Africa, of which 92% are from communities closer to our operations and the balance from our labour-sending areas as part of commitments in our social and labour plans. The total cost of bursaries for FY21 is R17.2 million. We have also collaborated with Mining Qualifications Authority (MQA) and secured 100% funding through its bursary scheme to support an additional 38 South African students. On completing their studies, student bursars can apply for Harmony's graduate development programme.</p>
Mathematics, science and language enhancement project	<p>Recognising the need for learners to achieve excellent results in maths and physical science, and the important role of teachers, Harmony has pioneered various initiatives since 2010. The maths and science school projects at Matlosana and Moqhaka continue, with learners attending extra classes for maths, science and English from grade 10 to grade 12. A total of 80 (40 Matlosana and 40 Moqhaka) grade 12 learners were enrolled. Despite the immense challenges presented by the pandemic, which enforced school closures and a rapid switch to online teaching, the class of 2020 achieved an overall pass rate of 97% compared to a national rate of 75%. A similar project was introduced in the Free State in 2020, where Harmony partnered with the Department of Education to fund a maths and science project. That partnership continued in 2021, with Harmony funding of R3.8 million. A total of 400 grade 11 and 12 learners were enrolled in the 2021 academic year.</p>
Graduate development programme	<p>To align current talent development plans with future leadership needs, Harmony invests in a graduate development programme for sponsored bursars in core disciplines. Fifteen graduates (ten mining and five ore reserve management) were enrolled for 2021.</p>
Study assistance programme	<p>Harmony invested R3.8 million to support 121 employees undertaking various courses, diplomas and degrees as part of our talent development programme. The Harmony study assistance scheme also augments our people development strategy, where all employees have access to developing themselves in formal education and training.</p>
Social plan programme	<p>We continue to provide alternative skills training to employees, current and retrenched, through our social plan programme, which was facilitated by the framework agreement between Harmony and NUM in 2003. This training enables people to remain economically active beyond mining, cushioning the impact of unavoidable retrenchments or loss of employment when mines reach the end of their lives. In FY21, 74 employees (and proxies) received portable skills due to the pandemic. Around 68% were proxies (dependants of mine employees). Skills acquired include end-user computing, basic electrical, furniture making, clothing manufacture (and/or garment making), livestock and vegetable production, electrical appliance repairs, mixed farming systems, animal production and plumbing.</p>

CARING FOR OUR WORKFORCE **continued**

Addressing employee over-indebtedness

Financial over-indebtedness remains a burden for many employees at our South African operations, with potential impacts on mental health and impact productivity. Since 2013, we have provided a financial literacy programme for employees, focusing mainly on semi-skilled and skilled categories, to enable them to better manage their personal finances.

In FY21, 1 014 employees completed this programme. This brings the total to 25 003 employees, or 68% of the workforce, who have attended financial counselling since inception of the programme (FY20: 23 989). Harmony spent around R3.5 million on this programme in FY21.

The process to verify all new emolument attachment orders (garnishee orders) before processing them through payroll has also benefited employees. In FY21, 225 emolument attachment orders were assessed and 225 employees' accounts restructured, resulting in monthly instalment reductions of R211 728. It also helped to facilitate R405 926 worth of prescribed debt write-off by creditors and, removed negative listings from credit bureaus totalling R102 220. This improved the employees' credit ratings and allowed them to qualify for mortgages and vehicle financing. The total number of employees with garnishee orders had declined to 1 386 by the end of FY21.

Papua New Guinea

Decades of underinvestment in technical training facilities in Papua New Guinea have resulted in a dearth of adequate technical skills, particularly for the mining sector. As a result, our workforce training initiatives focus on giving local recruits the skills required for our Hidden Valley operation, as well as career training to advance the skill sets of all our employees.

In FY21, 14 596 employees attended online training and skills development, totalling R19.85 million (US\$1.3 million).

Our training initiatives encompass:

- Career-path development
- Production
- Safety compliance
- National Training Accreditation Council compliance
- Professional development
- Computer software
- Supervisor development.

Our communities – training and development

Investing in community skills is a key aspect of our socio-economic development approach and goal to leave a positive and lasting legacy in our communities. We focus on identifying community members who could benefit from bursaries, work experience, internships and learnerships, prioritising students living in our host

communities. Our programmes for skills development, education and training are offered to local unemployed youth to prepare and equip them for the world of work and other economic opportunities.

In 2018, we finalised a memorandum of understanding with Matjhabeng municipality and the Unemployment Youth Forum in Welkom, Free State, to train young people in core mining skills. The first intake of 60 youths from local communities were all absorbed into our Free State operations for permanent mining positions. In FY19, 147 youths were trained, with 97% taking up permanent mining positions at our Free State operations. In FY20, 60 learners were enrolled and have completed their training. The programme was then expanded to other regions (North West and Gauteng) with the support of the MQA in terms of grant allocations. In 2021, 239 unemployed community youth were enrolled for mining skills training, with 95 already absorbed into permanent mining positions.

Freedom of association, labour disputes and strikes

Recognising the value organised labour brings to improving our business, our employees and contractors have the right to freedom of association, and we strive for honest, two-way discussion. We have a policy framework formalising labour union organisational recognition rights at each operation. This only applies to our South African operations as there is no union representation in Papua New Guinea.

South Africa: union representation as at 30 June

At our South African operations, a multi-union environment promotes coexistence, inclusion and collaboration. Harmony recognises five labour unions, with FY21 representation split as: NUM 52.1% (FY20: 58%), AMCU 28.2% (FY20: 23%), UASA 5.2% (FY20: 5%), Solidarity 2.5% (FY20: 3%) and NUMSA 6.2% (FY20: 5%). Some 5.8% (FY20: 6%) of employees did not belong to a union.

We engage with organised labour to maintain peace and stability in our operations at all times. To mitigate the risk of labour disputes, we engage frequently with unions at mine and management level, in addition to direct engagement with employees. We proactively address employee and union queries through established structures and processes. In addition to quarterly regional meetings with unions, we also encourage proactive and robust engagement on particular issues. We have daily contact with full-time stewards through our general managers and human resources leaders, who interact at union branch level and with shaft committees. Our regional managers meet regularly with regional union structures.

A notable feature of FY21 was that it was a year with no strikes. There were 121 disputes referred in FY21, with 47 found in favour of Harmony.

2021 wage negotiations

Harmony concluded a three-year wage agreement in respect of wages and conditions of service for the period 1 July 2021 to 30 June 2024. The wage agreement was agreed with the following labour unions: The Association of Mineworkers and Construction Union (AMCU), the Coalition (comprising The National Union of Mineworkers (NUM), United Association of South Africa (UASA) and Solidarity) and The National Union of Metalworkers of South Africa (NUMSA).

The agreement allows for the following wage increases:

- a. Category 4 to 8 employees will receive a wage increase of R1 000 for each year of the wage agreement. This translates to an average increase of 8.4% for employees across these categories
- b. Miners, Artisans and Officials will receive a wage increase of 6% of their basic wage for each year of the agreement
- c. The total average wage increase negotiated is 7.8% in year 1, 7.4% in year 2 and 7.0% in year 3
- d. 98% of Harmony employees are part of the bargaining unit covered by this wage agreement.

In addition to the basic wage increases mentioned above, the parties have agreed to the following benefits:

- a. As part of Harmony's drive to promote home ownership, a housing allowance will be introduced for the benefit of employees who choose to purchase a residence or who have already entered into bond agreements. The housing allowance will be R2 750 in year 1 and increase incrementally each year up to a maximum value of R3 240 in year 3
- b. Employees not eligible for the housing allowance will receive a living-out allowance of R2 500 in year 1, which will increase by R100 in year 2 and in year 3 respectively. All employees will be eligible for either a housing allowance or a living-out allowance, but not both
- c. A number of non-wage related and process issues have been agreed to, including: maternity and paternal leave; medical incapacity and medical aid benefits.

Papua New Guinea

We engage continuously with all stakeholders, including employees, contractors and government (national, provincial and local) as well as landowners and regulators.

There are no active unions at Hidden Valley and oversight of industrial relations currently vests with an employee representative committee. Wage increases are agreed after consulting workers through a joint forum of management and the employee representative committee.

Employee benefits in South Africa

We have a range of benefits available to our workforce in South Africa.

 For details, see our **Remuneration report in Report to shareholders 2021**.

Employee share ownership scheme

In 2019, Harmony launched the Sisonke (isiXhosa for "we are together") employee share ownership scheme (ESOP). This was our third such scheme.

The current ESOP applies to some 30 700 non-managerial employees – 6.7 million ordinary shares were issued to the Sisonke ESOP Trust, with 225 participation units given to each eligible employee. The units will vest in 2022 and convert into shares, which will then be sold and paid out to each beneficiary, along with any dividends accumulated since allocation.

The challenge with these schemes is that they are based on Harmony's share price, and projected payouts can vary significantly as that share prices fluctuates. Nonetheless, under our 2015 ESOP, participating employees received a payout of some R20 000.

Promoting home ownership

We promote home ownership through our housing and living conditions strategy. To assist employees in buying their own homes, Harmony sells company-owned properties to employees at prices below market value. In FY21, 118 company properties were purchased by employees: 73 of these have been registered at the deeds office. Harmony has also identified empty stands in proclaimed municipal areas. Of these 558 empty stands, 27 have been sold to employees and with 140 pending purchase applications. In addition, the company participates in the pension-backed home-loan scheme negotiated for the industry by the Minerals Council, with 39 employees participating in the scheme in FY21 (FY20: 262).

CARING FOR OUR WORKFORCE continued

CASE STUDY

Access to adequate housing a universal human right

Over the years, Harmony has accumulated a sizeable portfolio of land and properties. This includes freehold as well as vacant land; farms; mine offices, villages and hostels; houses, flats and vacant stands in proclaimed areas; central/regional offices; recreational facilities; and industrial buildings.

Our property strategy is aimed at effectively managing this portfolio and aligns to our strategic pillar of responsible stewardship. To consolidate our footprint, we are disposing of land and properties no longer needed for our operations. This has the twin benefits of reducing running costs and associated liabilities for Harmony, while offering stakeholders improved access to adequate, affordable housing or commercial properties focused on social good.

This is a particularly important initiative for our people, and in line with our ethos as a company that cares. Home-ownership is a proven step towards wealth creation and improved quality of life, along with the associated dignity and pride of owning your home. To facilitate home-ownership, Harmony supports the pension-backed home-loan scheme negotiated for the industry by the Minerals Council South Africa.

Our land policy supports South Africa's programmes of land redistribution, sustainable housing, and social and enterprise development. Under this policy, land or non-residential properties can be sold to black-owned companies at preferential rates. Harmony will also consider donating available and unused land to national, provincial or local government to advance the goal of redistribution.

Progress to date

- All mine hostels converted to single accommodation, as per requirements of mining charter
- Hostels at Masimong 4 and Merriespruit 3 converted and upgraded to 953 community residential units
- Our employee home-ownership scheme, approved by our executive committee and organised labour in March 2021, is being implemented across Moab Khotsong (North West), Randfontein, Mponeng and Kusasalethu in Gauteng, and the Free State operations. This will offer employees a once-off discount of up to 45% that includes refurbishment, recognition for long service and discount on voluntary termination/retrenchment where applicable. Progress at year end is shown below:

	Houses	Stands
Deeds of sale signed	118	0
Registered	73	0
Awaiting registration	45	0
Purchase prices signed off	433	4
Purchase price awaiting sign-off	14	23
Applied to buy	373	140
Remaining to be sold	1 220	391

Social responsibility leases

Historically, the primary objective of social responsibility leases was to assist support groups taking various forms but operating in our host communities. These include church groups, schools, day-care centres, welfare organisations and community recreational facilities that benefited from leases set well below commercial rates. As we consolidate our footprint, these leased properties are being considered for sale or donation to current occupants.

To illustrate, in 2008, we leased the Harmony 2 hostel in Virginia, Free State, to the KwaSizabantu Mission. This church group used it as the base of an outreach programme to local schools, prisons and other churches, targeting vulnerable young people. Over the years, this mission has visited 61 schools, two prisons and 11 churches, with an overwhelmingly positive response.

In further examples, the Itireleng residence in North West province was leased to a black-owned service provider to establish a university of technology, while a former training centre was donated to the provincial tourism board to establish a hotel school.

Accommodation and living conditions

We recognise that providing adequate housing and facilitating improved living conditions is a constitutional right and one of the pillars on which human dignity rests. Mining Charter III reiterates the requirement for mining right holders to improve housing and living conditions for mineworkers and ensure accommodation is in line with the standard for the mining and minerals industry.

We have achieved the target of accommodating all our employees previously residing in hostels in single rooms. There were 8 547 employees and 19 contractors residing in Harmony hostels in FY21, and 6 022 employees residing in company-owned houses with their families. A total of R669 million was paid to employees residing off company premises in the form of a living-out allowance.

Human rights

Respect for human rights is entrenched in our values, because we, as a company, believe in ethical conduct at all times. Our code of conduct has been developed to commit and respond to the challenges of unethical conduct in a business environment.

In addition, we acknowledge the constitutions of the countries in which we operate as the supreme laws of those countries, and commit ourselves to abide by all applicable legislation in those territories. In Papua New Guinea, this includes the rights of indigenous peoples.

Human rights are specifically articulated in our human resource policies, charters and contracts of engagement. We have also adopted the principles of the ICMM and Voluntary Principles on Security and Human Rights.

As a member of the Minerals Council South Africa, we subscribe to its membership compact, a mandatory code of ethical business conduct with guiding principles.

The human resources function and community engagement managers closely monitor our human rights performance at operational level, reporting to the social and ethics committee of the board.

Focus areas for FY22

We will continue to focus on managing the impact of the pandemic and improving our gender diversity profile.

In South Africa:

- Focus on meeting Mining Charter III targets.

In Papua New Guinea:

We will continue to work on improving gender diversity and working conditions for female employees. Our self-determined targets for FY22 are:





- Female representation of at least 17%
- At least 70% of employees to be based in Morobe Province
- More than 65% of lower management and superintendent level employees to be citizens of Papua New Guinea
- More than 44% of tier 1 and 2 employees to come from local communities.

EMPOWERING COMMUNITIES

Creating shared value for the communities impacted by our mining operations is integral to our business strategy. This builds our social and relationship capital and ensures our social licence to operate but, more importantly, it underpins our reputation as a responsible corporate citizen and a valued partner in host communities.

Our aim is to create sustainable, shared value for our communities. We focus on sustainably investing in the future of these communities beyond the life of our mines to empower them, mitigate the impacts of our activities and ensure a positive legacy.

Capitals affected

Directly	Indirectly
 SOCIAL AND RELATIONSHIP CAPITAL	 INTELLECTUAL CAPITAL
 FINANCIAL CAPITAL	 NATURAL CAPITAL

Stakeholders affected

Host communities, host businesses

Other stakeholders include non-governmental organisations and civil organisations, government and regulators

Link to strategy

 Responsible stewardship

Related material issue




- Social licence to operate – contributing to self-sustaining communities and responsible closure planning.

GRI standards

Prepared in accordance with: 203-1, 203-2, 413-1, 413-2, 414-1, 414-2, 419-1 and MM5

Contributing to the SDGs:

Our focus on alleviating poverty, ensuring access to quality education and supporting initiatives that will facilitate sustainable communities aligns well with SDGs 1, 4 and 11.

		
<ul style="list-style-type: none"> We focus on implementing broad-based agriculture and viable commercial agricultural ventures to promote food security, sustain livelihoods and contribute to alternative, sustainable economic activities once mining ceases. 	<ul style="list-style-type: none"> Education is a key aspect of our strategy At secondary-school level, we promote mathematics, science and technology At tertiary level and in communities, our focus is on developing entrepreneurial and portable skills, especially in information and communication technology. 	<ul style="list-style-type: none"> Promoting preferential local procurement as well as enterprise and supplier development uplifts communities and sustains them economically Infrastructure projects (roads in South Africa; water and sanitation in Papua New Guinea) enhance community resilience and functionality.

 For more on our contribution to the SDGs, see [Our sustainability strategy](#).

Our approach

Particularly in emerging markets, the dynamics and the needs of communities are in constant flux. Meaningful and sustainable socio-economic development therefore requires a multifaceted approach and constant two-way communication. Informed by stakeholder engagement, we focus on implementing programmes and creating opportunities that will uplift and empower local communities to make a positive and lasting contribution in the regions where we operate.

Our socio-economic development programme commits to:

- Contributing to areas that will have the most meaningful impact on our communities: infrastructure, education and skills development, job creation and entrepreneurial development
- Enhancing broad-based local and community economic empowerment and enterprise development initiatives
- Facilitating socio-economic development in local communities through our social and labour plans (SLPs) and corporate social responsibility programmes
- Building relationships of trust with our host communities, based on transparent dialogue and delivery of mutually-agreed promises.

In addition, work is underway to quantify the impact of our initiatives, and to establish partnerships with major companies in our operating regions to optimise that impact. Key partnerships are discussed in the social section of this report, specifically local and preferential procurement as well as social and labour plans.

Governance

The social and ethics committee of the board oversees the policy and strategies on socio-economic development and corporate social responsibility, as well as public safety. Responsibility for implementing related policies vests with the management team and executive responsible for sustainable development. Discipline-specific policies are supported by guidelines and standards that inform site-specific management systems, aligned with our sustainable development framework.

Our governance approach to social investment has been formalised. A local economic development strategy, supported by an operating procedure and strategy for investing in mine community development, ensures related processes and systems are entrenched in Harmony. This ensures projects are rolled out responsibly and successfully, and aimed at sustainability.

Our performance FY21 Communities – South Africa

Rm	FY21	FY20	FY19	FY18	FY17
Mine community development	60	65	43	20	23
Corporate social investment	6.8	11	32	15	11
Procurement					
Total discretionary spend	10 667	7 682	8 470	6 436	5 685
Preferential procurement ¹	7 938	5 084	6 340	5 120	4 461
spend on >50% BO	5 100	3 300	2 700	1 900	1 600
spend on 100% BO	800	600	400	300	200
Spend with small, local black-owned businesses in host communities	1 972	1 048	1 243	967	N/A

¹ Black-owned and black economic empowerment compliant spend.

We define socio-economic development as all activities and initiatives – using local resources, ideas and skills – that stimulate social and economic growth and upliftment, particularly for local communities impacted by our operations. The desired outcome is to create employment, alleviate poverty and reduce inequality while attracting external investment, all of which are important in creating sustainable local economies.

In FY21, total group spend on socio-economic development, preferential/local procurement, enterprise development and corporate social investment was R8.0 billion (FY20: R10.4 billion) – R70.8 million on community projects and social investment and R7.9 billion on procurement and enterprise development (FY20: R112 million, R10.3 billion respectively).

EMPOWERING COMMUNITIES continued

Socio-economic development investment – FY21

	Investing in our social licence to operate	Preferential/local procurement	Enterprise and supplier development	Corporate social investment
Group approach	Identified mine community development initiatives to stimulate socio-economic growth and development.	Strategy to promote procurement spend to stimulate economic activity in local host communities, focused on empowering women and youth.	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 mining charter and related social and labour plans. Focus on: <ul style="list-style-type: none"> • Community agricultural projects • SMME development • Infrastructure development. 	Focus on black economic empowerment (BEE) and driven by mining charter.	Providing procurement opportunities to small and medium black-owned businesses.	Focused on: <ul style="list-style-type: none"> • Education • Socio-economic advancement • Health • Arts, culture, sports and recreation.
Spend:	R60 million	R7.9 billion*	R1.9 billion**	R10.8 million
Papua New Guinea	Activities governed by 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 memorandum of agreement for localised procurement in Morobe Province.	Aligned with terms of memorandum of agreement for procurement in-country.	Included in activities supporting our social licence to operate.
Spend:	R34.2 million (US\$2.2 million)	R2.5 billion (US\$145 million)	R1.2 billion (US\$71 million)	R102 million

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

** Spend with small, local black-owned businesses in host communities and is already included in preferential procurement spend.

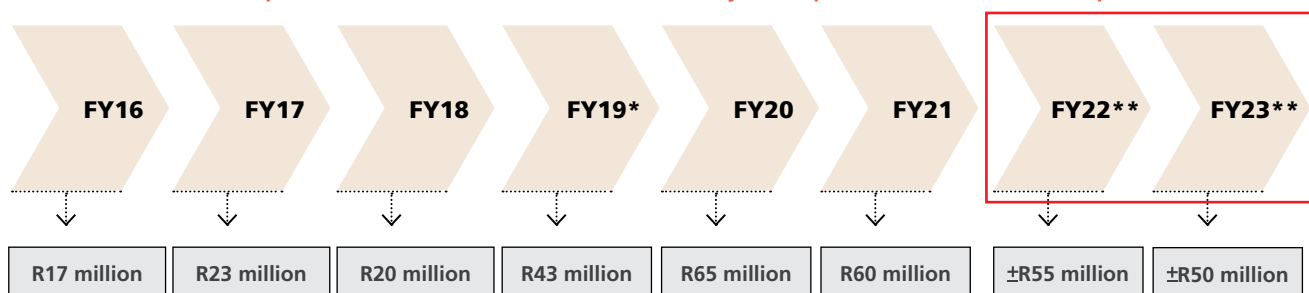
South Africa

National legislative requirements and needs communicated to us by host communities influence, to varying degrees, the implementation of our socio-economic strategy. In South Africa, our strategy is largely dictated by requirements under the Mineral and Petroleum Resources Development Act (MPRDA): regulation 42 stipulates that a mining right can only be granted if a social and labour plan has been submitted to the Department of Mineral Resources and Energy.

Social and labour plans (SLPs) are five-year programmes of local development executed in terms of the mining charter, MPRDA and codes of good practice for the minerals industry. Harmony takes a broader view, exceeding regulatory requirements by building partnerships with its suppliers and government stakeholders aimed at meaningful social upliftment while creating and sharing value with its partners. This collaborative and transformative approach helps direct our funding commitments to SLP projects to address the stated needs of communities. We are very encouraged by the willing participation of our major suppliers in a shared commitment to social development that benefits all the country's citizens.

Harmony is nearing the end of its third-generation (2018-2022) SLP. The total financial commitment for mine community development is R268 million, of which R60 million was spent in FY21. To date, this brings total spend to R160 million for our third-generation commitments. The diagram below summarises annual expenditure since FY16 and planned expenditure for the next two years.

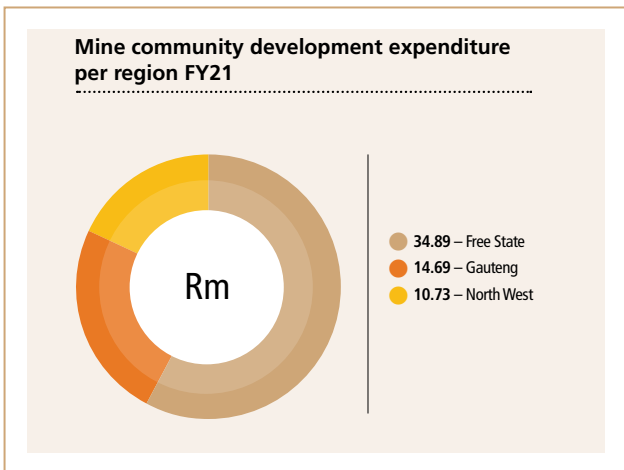
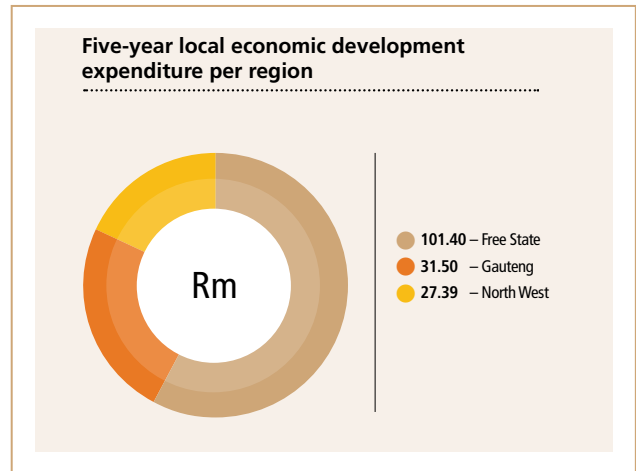
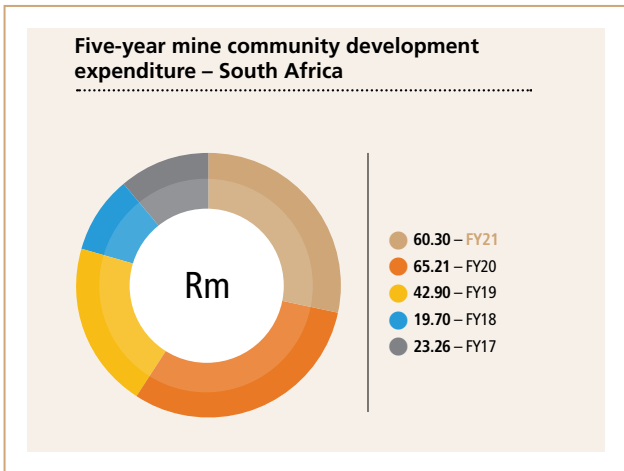
South Africa – actual and planned annual investment in mine community development for social and labour plans



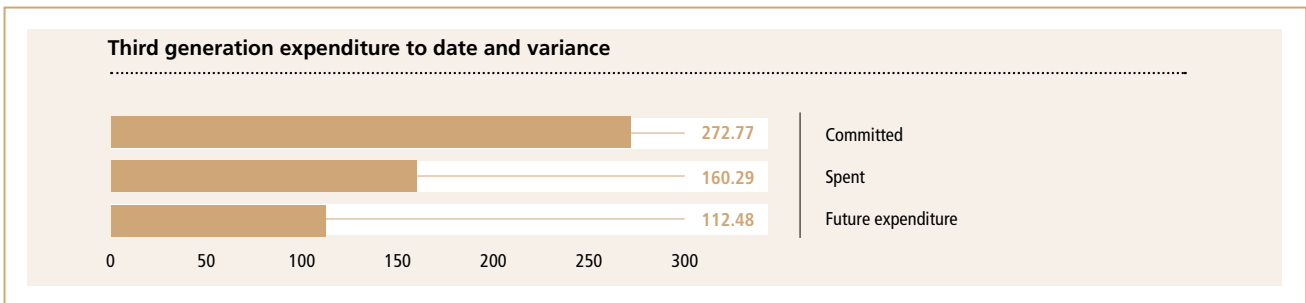
* Includes Moab Khotsong from FY19.

** Planned investment in FY22 and FY23 is expected to decline as several mines reach the end of their operating lives.

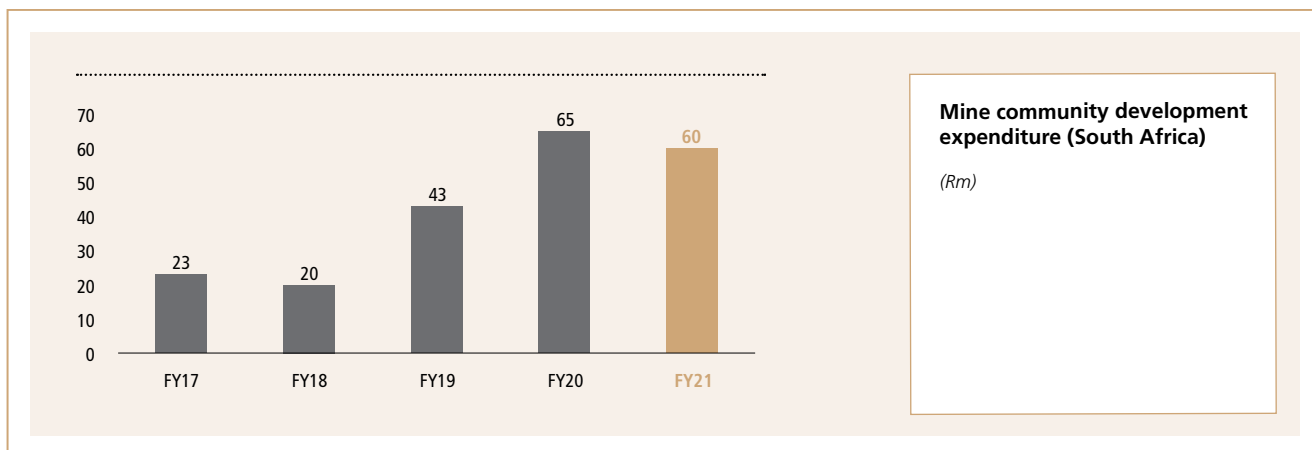
South Africa mine community development



The third-generation SLPs for all mining right areas are part of a five-year programme that began in FY18. To date, we have spent R160 million on mine community development projects, including R60 million in FY21. National lockdowns in the prior year delayed implementation of the planned FY21 projects and associated expenditure by three months. Implementation was also affected by the suspension of municipal services during the lockdown periods. The Mponeng operation’s SLP was integrated into our organisation in October 2020. After five months of alignment with our governance processes, the Mponeng programmes were implemented from March 2021.



EMPOWERING COMMUNITIES continued



FY21 data excludes Mponeng

We continued to focus primarily on the areas below, which we believe will lead to the greatest, most-sustained social upliftment in our communities:

Rationale for third-generation SLP focus areas	Expenditure in FY21
<p>Agriculture For our poorest communities, obtaining fresh, healthy food is not always possible, particularly from a cost perspective. To help alleviate this hardship, the second pillar of our mine community development strategy focuses on promoting agricultural initiatives – both broad-based livelihood and commercial ventures. This improves access to healthy food, promoting better health and wellbeing in our communities, while the sale of excess produce generates income. See case study below.</p>	R12.7 million
<p>Youth and small, medium and micro enterprise (SMME) development Meaningful, lasting socio-economic development can only be achieved by empowering individuals and communities with the most appropriate skills and resources. Upskilling the youth and nurturing SMMEs in our communities is therefore the priority of our mine community development plan. Related initiatives range from incubation hubs, where we provide support and resources to companies (particularly those owned by young and female entrepreneurs) to providing workshops and commercial spaces where these companies can do business.</p>	R26.9 million
<p>Infrastructure Infrastructure is important in uplifting communities, and related projects generate employment opportunities. Good road infrastructure is particularly vital as it allows easy movement of goods and people and promotes economic activity, while water management is becoming a critical issue in South Africa. We are making progress with a programme to improve roads connecting our host communities with larger towns in the Free State.</p>	R20.7 million

Section 93 (1)(b)(ii) notice

SLP audits for the 2019 reporting period were conducted in the Free State operations in FY21. An order in terms section 93 (1)(b)(ii) was confirmed for Tshepong operations. Areas of concern were AET, portable skills and learnership training, and employment equity on senior management level. Action plans were developed, submitted to the regulator and subsequently implemented on the operation.

CASE STUDY

Creating a safe environment for our flagship agriculture project sites

Harmony is aware that to leave a positive impact many people need to work together as partners. Our supply chain partners have been working closely with our social programme so that our pulled resources can yield maximum value. At both our flagship agriculture projects in Gauteng, security for infrastructure and produce is provided by Bidvest Protea Coin as part of its own corporate social responsibility programme. Bidvest Protea Coin is a major Harmony supplier, providing security for all our operations in Gauteng, North West and the Free State. We launched the farming projects in Doornkop (2018) and Wedela (2019) to transfer skills from experienced farmers to local community members. Each project site has 30 hydroponic tunnels tended by eight permanent emerging farmers trained by Harmony's in-house farmer. The quality produce grown at these sites has secured contracts to supply local markets in Klerksdorp and Johannesburg as well as local Food Lover's Market and Pick n Pay stores. By protecting the sites at no cost to the emerging farmers or Harmony, the Bidvest partnership ensures revenue generated during the training phase benefits the participants.

At peak times in the production cycle, casual labour from local communities is brought in to help with the harvesting and packaging processes. This contributes to the local economy and assists with seasonal job creation.

Although our initial investment was R8.7 million for both projects, this has grown over the years to ensure they continue running successfully. We intend to expand the projects so that more community members benefit from skills transfer and are actively engaging in farming projects that create economic sustainability for them.

Agriculture also forms part of the portable skills training (under our social plan) provided to all Harmony employees (including those retiring or retired) for self-employment at their local communities or places of origin. We believe this is one of the ways former miners can create economic sustainability for themselves and their families.



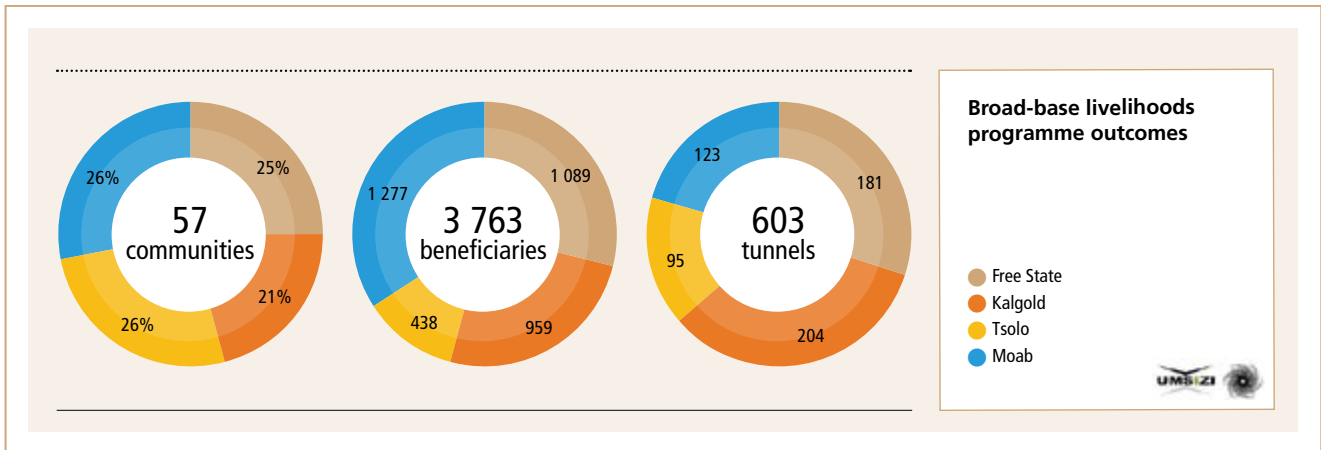
Doornkop Agri project.

Third-generation SLP projects: expenditure by province and focus areas for FY19 to FY21



	SMME and youth development	Infrastructure	Agriculture	Information technology
Free State R103 million	R40.64 million	R47.8 million	R6.40 million	R7.43 million
Gauteng R35 million	R18.70 million	R1 million	R14.00 million	R1.40 million
North West R30 million	R11.60 million	R2.30 million	R15.30 million	R1 million



Highlights of socio-economic development projects underway in FY21 were the road-construction and agricultural projects in the Free State, and agricultural projects in Gauteng and North West. We also have outreach programmes in our labour-sending areas, particularly in Lesotho and Eastern Cape.

EMPOWERING COMMUNITIES continued








Progress on key project commitments in FY21

Project	Beneficiaries	Impact
Free State infrastructure development		
<p>Roads and aggregate</p> <p>Description:</p> <ul style="list-style-type: none"> Improve road infrastructure in Matjhabeng to support economic development. 	<ul style="list-style-type: none"> Local municipality Local businesses Local communities – some 95 000 people in Welkom, Odendaalsrus and Virginia 	<ul style="list-style-type: none"> Appointment of 3 local 100% black owned main contractors, an additional 11 local SMMEs and 34 local workers from the community were employed on the project and thus indirectly benefiting 105 people. The size of the project assisted local companies to increase their CIBD grading for future projects, WW Civils have improved their “specialist works” grading and have since secured an additional provincial roads project Easier access to schools, hospitals, police services and shops Enhanced movement of goods and services. <p>Investment: R4 million spent in FY21 of total R29 million to close out project</p>
Community development		
<p>Broad-based livelihood programme</p> <p>Description:</p> <ul style="list-style-type: none"> Expanding household tunnel-farming programme to support local subsistence and micro-enterprises, especially for women and youth. 	<ul style="list-style-type: none"> Targeting 800 woman and youth headed households in host communities in the Free State 	<ul style="list-style-type: none"> 730 individuals have received training and infrastructure on the BBL programme for better crop production and income diversification as these products are sold in informal markets Health and wellness Poverty alleviation. <p>Investment: R3.4 million spent in FY21</p>


Project	Beneficiaries	Impact
<p>Youth business corners</p> <p>Description:</p> <ul style="list-style-type: none"> Construction and establishment of three youth business corners in the Matjhabeng and Masilonyana local municipalities. Ten containers to be converted into stalls for each corner, totalling 30 containers. 	<ul style="list-style-type: none"> Youth, entrepreneurs and community members Businesses include hairdressers, butchers, telephone booths Two local companies appointed as contractors. 	<ul style="list-style-type: none"> Will assist in the creation of sustainable business and jobs for the local community 72 people will benefit from project, 70% are existing operating from their homes and 30% are new businesses. They do not have business premises. Bringing products and services closer to the people Formalisation of businesses Business training, mentoring and coaching will assist in the creation of sustainable business and jobs for the local community <p>Investment: R3.3 million spent in FY21 on a budget of R4.2 million</p>
<p>Virginia Sports Academy</p> <p>Description:</p> <ul style="list-style-type: none"> Started in 2003 to identify and develop talent in the sport and recreation sector, with focus on rugby and soccer. 	<ul style="list-style-type: none"> Employees and students from local communities in Matjhabeng and Masilonyana municipalities Local schools Local and national rugby and soccer clubs. 	<ul style="list-style-type: none"> Academy has had a significant impact on the lives of many talented young men Employs 20 people directly – from coaches to administration. 62 family members benefit from the jobs created 50 students per annum are given an opportunity which allows them to be selected for sports scholarships and internship programmes after they complete their matric. <p>Investment: R7.0 million spent in FY21</p>
<p>Youth business corners – industrial hub (Doornkop)</p> <p>Description:</p> <ul style="list-style-type: none"> 16 containers converted into a youth business centre for host communities around Doornkop Mine. 	<ul style="list-style-type: none"> Youth, entrepreneurs and community members Hubs to house range of small businesses 	<ul style="list-style-type: none"> Creating sustainable businesses and jobs for local community Nominal rentals increase profit potential 14 local SMMEs (ie venturing in different business activities including bakery, sewing, tyre and wheel alignment, hair salon and barber shop, butchery, spaza and grocery shop, fruit and vegetable retail, car wash, catering, fish and chips takeaways, Internet café/ Cell phone repair, arts and craft studio, garment making, furniture making) are targeted to benefit Formalising businesses. <p>Investment: R2.5 million spent in FY21 on a budget of R4.1 million</p>

EMPOWERING COMMUNITIES continued

Project	Beneficiaries	Impact
<p>Rietvallei vegetable project (Doornkop)</p> <p>Description:</p> <ul style="list-style-type: none"> • Providing tunnel infrastructure for local farmers to create sustainable jobs and food security. 	<ul style="list-style-type: none"> • Local farmers and communities • Permanent employment for 6-8 local women and youth and 6-10 seasonal workers 	<ul style="list-style-type: none"> • Permanent employment for 6-8 local women and youth and 6-10 seasonal workers • Equipping farmers with skills to run commercial farms • Poverty alleviation and food security. • 7 local companies were sub-contracted during structure construction, with skills transferred to local SMMEs through tunnel and shade net construction • 40 jobs were created during construction of the tunnel shade nets; and installation of the fence indirectly benefiting 128 individuals. <p>Investment: R2.5 million spent in FY21 to complete the project of R3.9 million total investment</p>
<p>Small business centres (Kusasaletu)</p> <p>Description:</p> <ul style="list-style-type: none"> • Developing business hub for hawkers in Fochville • Reduce poverty through job creation and income generation 	<ul style="list-style-type: none"> • Capacity to accommodate 42 hawkers from town and surrounding community. 	<ul style="list-style-type: none"> • Potential to boost income for local 42 hawkers • Improved access to services and goods by local community. <p>Investment: R6.1 million spent in FY21 on a budget of R6.8 million</p>
<p>Agricultural project in Eastern Cape labour-sending area – Tsolo (Moab Khotsong)</p> <p>Description:</p> <ul style="list-style-type: none"> • Provide sustainable agricultural project • Introduce and implement My Food programme – horticulture infrastructure to enhance productive activities. 	<ul style="list-style-type: none"> • 300 households in host communities around Tsolo targeted for participation • 130 households targeted to receive infrastructure. 	<ul style="list-style-type: none"> • 130 households targeted to receive infrastructure to ensure sustainable food production which will lead to the diversification of their household income and improved nutrition and overall wellness. Approximately 438 individuals received the training on the BBL programme • Poverty alleviation • Income generation. <p>Investment: R4.5 million spent in FY21</p>

Project	Beneficiaries	Impact
<p>Tsamma Secondary School (Moab Khotsong)</p> <p>Description:</p> <ul style="list-style-type: none"> Develop science laboratory for learners 	<ul style="list-style-type: none"> Learners Local community Department of Education Matlosana local municipality. 	<ul style="list-style-type: none"> Quality education and long-term retention of knowledge Improve effective learning to students. <p>Approximately 93 Grade 10 to 12 learners will benefit from the science laboratory, with estimated physical science pass rate of 40% in 2021, 60% in 2022 and 80% in 2023 by the school.</p> <p>Investment: R1.9 million</p>
Free State		
<p>Infrastructure development (mine)</p> <p>Description:</p> <ul style="list-style-type: none"> Assist Matjhabeng municipality in optimising water use. 	<ul style="list-style-type: none"> Local municipality Affected community. 	<ul style="list-style-type: none"> Municipality has improved health of downstream communities by addressing dysfunctional municipal sewage treatment. <p>Investment: R12.6 spent in FY21, project complete</p>
<p>Maliba Mats' o Primary School – labour-sending area, Lesotho</p> <p>Description:</p> <ul style="list-style-type: none"> Constructing four classrooms, and pit latrines. 	<ul style="list-style-type: none"> School serves five villages in Leribe district Lesotho government – Department of Education. 	<ul style="list-style-type: none"> Additional classrooms will reduce congestion, for more effective teaching and learning The school will be able to accommodate more learners due to improved facilities The current roll of 433 is projected to increase to 600 learners in the next academic year Teachers will be encouraged to stay at the school and the ministry will employ more to cope with a higher roll. <p>Investment: R2.0m spent in FY21 to complete the project</p>

EMPOWERING COMMUNITIES continued

Project	Beneficiaries	Impact
<p>Carletonville Youth Centre (Kusasaletu)</p> <p>Description:</p> <ul style="list-style-type: none"> Refurbish youth centre. 	<ul style="list-style-type: none"> Host community Local municipality. 	<ul style="list-style-type: none"> To provide a sustainable project for youth empowerment within our host community which is in line with the youth desk of the local municipality. Daily intakes will increase from 50% to 70% of the contract set aside for local subcontractors to date 10 local SMME's are working on project. Local youth will also develop new skills from various sporting codes that will be offered from the indoor sport centre. Expanded Public Works Programme will be run from the centre. Aftercare classes will be offered by volunteers 20 jobs created during the project. <p>Investment: R0.7 spent on a budget of R2.0m</p>
<p>Thabang Secondary School (Moab Khotsong)</p> <p>Description:</p> <ul style="list-style-type: none"> Science laboratory. 	<ul style="list-style-type: none"> Learners Local community Department of Education Moqhaka local municipality. 	<ul style="list-style-type: none"> Quality education and long-term retention of knowledge in science Improve effective learning to students Equipment will allow students to interact directly and get a first-hand learning experience through performance of experiments Generate a pool of interested and prospective scientists from the local community 8 employees employed from contractor 4 subcontractor companies to be temporary employed ±10 (six months). <p>Investment: R0.1m spent in FY21 on a budget of R1.9m</p>

📶 More detail on projects in FY20 and FY21, their impact, beneficiaries and cost, is available online as part of our annual reporting suite. See Social and labour plan projects – FY21 and Social and labour plan projects completed – FY20 on www.har.co.za.

Harmony has recently acquired the Mponeng operations, but implementation of the LED aspect was delayed by eight months which allowed us to align with our governance processes and systems. We intend catching up on these commitments in FY22.

Socio-economic closure planning

A key issue in planning for socio-economic development is mitigating the impact of mine closures on our communities, particularly in the Free State region, where several mines are nearing the end of their operating lives. Many of our initiatives consider establishing alternative economic activities and means of livelihood that can be sustained post-mining. This includes stimulating SMME development as well as portable skills training to empower both employees and the communities as a collective.

We also use our land rehabilitation strategy (refer environmental management and stewardship section) to facilitate alternative economic development initiatives. Given the available land under our control, we support food security and poverty alleviation through agricultural and agri-processing initiatives:

- Our partnership with Unigrain to rehabilitate mine-impacted land to high-quality agricultural standards while addressing the global grain supply shortage. Commercial contracts are being finalised and we expect to implement this project in Welkom in FY22

- Harmony has signed a memorandum of understanding to promote commercial agricultural production as a final land use in our Tsolo host community in the Eastern Cape. The project has been scoped and is in final stages of our internal governance processes. Implementation of the project will commence in the second half of FY22.

Codesigned social programmes

We believe it is crucial to build trust and maintain positive relationships with host communities as well as other stakeholders, including the South African government. Our focus has shifted to a more inclusive approach by establishing SLP update forums in each host community where community members can engage directly with a company representative. Representatives from the municipalities, traditional authorities, communities and local business forums are also members of these structures, depending on the dynamics of each location.

These forums share information with communities on progress with project implementation, test their needs and expectations, and manage their perceptions of what Harmony can deliver. This has had a largely positive impact on our community stakeholder engagements and helped to promote a better understanding of the issues and concerns of participants. Illustrating the benefit of this

approach, in FY21, there were fewer disruptions and less discontent expressed by community members.

Papua New Guinea

Harmony has been a partner and commercial driver of socio-economic development in Papua New Guinea for 18 years. Reflecting our commitment to the growth and development of the country, by FY21, the Hidden Valley Mine alone had directly and indirectly contributed over PGK5 billion (R19 billion; US\$1.9 billion) to the regional and national economy over the past 11 years, including PGK556 million (R2.2 billion; US\$204 million) in royalties and direct paid taxes. The mine has created around 2 000 jobs, with 73% of the workforce based in Morobe Province. To date, around PGK1.1 billion (R4.6 billion; US\$380 million) has been paid in salaries and wages over the mine’s operating life.

Since the start of Hidden Valley operations, we have supported a range of community activities including via the mine’s memorandum of agreement, the Hidden Valley Mine Trust benefit-sharing agreement, and our discretionary spend. These projects have focused on providing, repairing and upgrading vital infrastructure in our host communities and across Morobe Province including: roads, bridges, water supply and sanitation systems, educational facilities, healthcare services, and law and order facilities. Throughout FY21, our programmes and engagements continued, albeit with some modifications and schedule interruptions due to the Covid-19 pandemic.

Agricultural initiatives

As we approach mine closure at Hidden Valley, our focus for socio-economic support is on projects that will support the transition of our host communities at closure. This includes, for example, agricultural initiatives established by Harmony to support sustainable alternate livelihoods. At our Wafi-Golpu Project site, where expectations of future project benefits are high, agribusiness offers high-value income opportunities for men and women, with the further benefit of sustainability beyond mine closure.

Hidden Valley

Between 2018 and 2021, we have supported a coffee programme in Nauti, Winima and Kuembu villages. This has encompassed coffee nursery construction, including connecting reticulated water supplies, donating tools for production, financial literacy training, assistance in opening bank accounts for participant farmers, constructing solar combination dryers and establishing logistics support to transport produce. Over 110 farmers have been trained in these three landowner villages via the pilot programme – some have passed organic certification standards and others have registered to participate in the Fairtrade programme. Coffee sales have been underway since the first commercial success of the programme in August 2019.

Given that the programme has proven to be a viable, income-producing opportunity for our communities, in FY22 we plan to roll out four new agricultural pilot programmes (poultry, tilapia, potatoes and beekeeping).

Wafi-Golpu

The cocoa programme continued to expand in FY21, with the Wafi-Golpu joint venture now working with over 2 000 cocoa-growing families across the project footprint. This increase reflects the extension of the memorandum of agreement with the Cocoa Board of Papua New Guinea for another 12 months, and its expansion to other provincial growing areas, including Labuta, Salamaua, Buang and Morobe rural local-level governments (located in Morobe Province) in future.

The joint venture supported AgBook business and financial literacy training for 50 cocoa farmers from Babuaf and Lower Watut cooperatives in business management.

Nine of the 56 cocoa driers and fermentries in the project impact area were identified by PNG Cocoa Board officers as requiring rehabilitation to become fully functional again. The joint venture purchased the required hardware materials to undertake this rehabilitation; the Cocoa Board Papua New Guinea team will provide the skilled labour to fabricate and reconstruct the facilities free of charge, and the relevant drier/fermentry owner will provide free unskilled labour. We expect this programme will be completed in FY22 to increase the value of cocoa produced in the area.

Assistance was provided to the Babuaf Cocoa Farmers’ Cooperative to support their nursery at Wames, specifically nursery consumables and storage, so that they could continue to supply planting material to other farmers throughout the project impact area.

From data gathered by the Papua New Guinea Cocoa Board, cocoa exporters and farmers’ cooperatives in the project impact area, we estimate that over PGK4.5 million was generated in FY21 in both wet-bean and dry-bean cocoa sales. A project to value the cocoa industry more definitively in the project impact area is underway.

The joint venture continued to promote agribusiness and more specifically, cocoa farming, in FY21, through its stakeholder engagement forums and via numerous posts on Facebook and LinkedIn channels.

Infrastructure initiatives

Harmony is frequently presented with opportunities to add value to infrastructure in Morobe Province. In FY21, we had to consider Papua New Guinea’s constantly evolving Covid-19 conditions, and the safety of employees and communities, when proceeding with works. Our support in maintaining critical sections of the Lae-Bulolo highway continued throughout the period, and we facilitated the upgrade and outfitting of the Bulolo magistrate’s house, enabling Bulolo to have a resident magistrate. At our Wafi-Golpu joint venture, to support access to health services for Hekeng, Nambonga and Venembe villages, we modified the Wafi camp community affairs building to convert it to a community health-worker residence.

A total of PGK1 million (US\$0.3million) was spent on infrastructure initiatives in Papua New Guinea in FY21.

Law-enforcement initiative

In January 2020, Harmony signed a memorandum of understanding with the Royal Papua New Guinean Constabulary to regulate the relationship between the entities and address issues of law and order in the Wau/Bulolo area of Morobe Province. This agreement underscores the importance of maintaining good order for a harmonious relationship between the mine and host communities.

CORPORATE SOCIAL INVESTMENT

Our corporate social investments (CSI) focus on going beyond compliance. This is an additional commitment we make to uplift and improve the livelihoods of our host communities as well as labour-sending areas. The following strategic pillars guide our focus areas for social investments in our South Africa and Papua New Guinea operations.

- Education and training
- Health
- Sports recreation, arts and culture
- Social entrepreneurship and farmer development
- Social infrastructure.

In identifying programmes and projects for a financial year, we conduct due-diligence on potential projects in consultation with communities and engagement with local government.

In South Africa, for FY21 we invested R10.8 million (US\$0.76 million) in CSI projects impacting at least 10 000 individuals and families. These include social and welfare donations through the Harmony Community Trust.

Harmony also supports specific strategic initiatives through non-profit organisations totalling R4 million annually:

- Enactus South Africa, which promotes development of entrepreneurial skills at tertiary level. This initiative is a constructive way to assist in combating unemployment, poverty and inequality
- Harmony has been the main sponsor of the national Science Olympiad programme of South African Agency for Science and Technology Advancement (SAASTA) for the last 12 years. The programme assists learners to advance in science, technology and mathematics. To date 455 000 learners benefited.

In Papua New Guinea, US\$6.7 million was distributed to communities, summarised in the table below.

The tables below provide a synopsis of FY21 flagship projects in South Africa, as well as royalties and compensation paid to communities in Papua New Guinea.

Flagship projects

Region	Area	Project	Impact	Expected outcome
South Africa	Free State, North West and Eastern Cape provinces	Back-to-school: Distributing school shoes, solar backpacks and reusable sanitary towels	7 500 learners benefited	Restored dignity among the learners who benefited
	Gauteng, North West and Free State provinces	Annual matric (grade 12) excellence awards	63 matric top performers received laptops	Enabled students to complete course-related tasks and work remotely
	Gauteng	Science laboratory upgrade at Raymond Mhlaba Secondary School	1 375 learners have access to a refurbished laboratory	Improve mastery of science subject matter
	North West	Eye-tests and providing spectacles	Early detection of visual shortcomings in 45 of 1 560 tested	Improved class performance of learners issued with spectacles
	Gauteng	Donating soccer kits and equipment to Merafong City Local Football Association club	209 soccer players benefited	Improved wellness of participating youth, while keeping them off the streets

Region	Area	Project	Impact	Expected outcome
Papua New Guinea	Lae	Coffee farming development (since 2018)	110 farmers trained from Nauti, Winima and Kuembu villages	Increased income streams from improved production yields
	Wafi	Conversion of camp community affairs building to healthcare residence	150 households in Venembele, Hekeng, Nambonga villages have access to healthcare	Improved quality of life
	Bulolo	Upgraded magistrate's house	20 000 villagers have access to justice system	Strengthened justice system
	Bulolo, Zindaga and three other villages	Covid-19 support: distributing cartons of soap, medical supplies, thermometers and sponsored a women's mask-sewing project	About 4 000 peoples were protected against Covid-19	Enabling Zindaga, Timini and Babuaf aid posts to curb the spread of the pandemic

Royalty distribution FY21 – Papua New Guinea

Group	%	Amount (US\$ million)
Morobe provincial government	18	1.20
Bulolo district treasury	18	1.20
Mumeng LLG	3	0.20
Waria LLG	2	0.13
Buang LLG	1	0.07
Wau/Rural LLG	5	0.33
Watut LLG	5	0.33
Wau/Bulolo Urban LLG	4	0.27
Highway communities	0.5	0.03
River communities	0.5	0.03
Subsidiary landowner communities	1.5	0.10
Settler communities	2	0.13
Wafi Landowner Association	0.5	0.03
Nakuwi Landowner Association	2	0.13
Future Generations Trust	2	0.13
Hidden Valley landowners – Winima recipients	8.75	0.58
Hidden Valley landowners – Kwembu recipients	8.75	0.58
Hidden Valley landowners – Nauti recipients	17.5	1.16
Total	100	6.64

In addition, US\$0.13 million was paid to communities for environmental management.

Focus areas for FY22

Socio-economic development

We will continue to focus on our infrastructure development, enterprise development, agricultural and educational programmes.

Procurement and enterprise development

Work will continue on the entrepreneur incubation programme to support and nurture fledgling enterprises to become suppliers of

mining and manufacturing commodities and services. We will also focus on expanding their market access, in Harmony and beyond, through additional value-chain channels.

Mine community development

The South African socio-economic landscape as it was at the start of FY20 has altered irrevocably, as have the challenges we face. It is in this context, that going into FY22, the corporate social investment team will re-evaluate its priorities. Our ultimate objective will be to ease the scars that will be left by this pandemic.

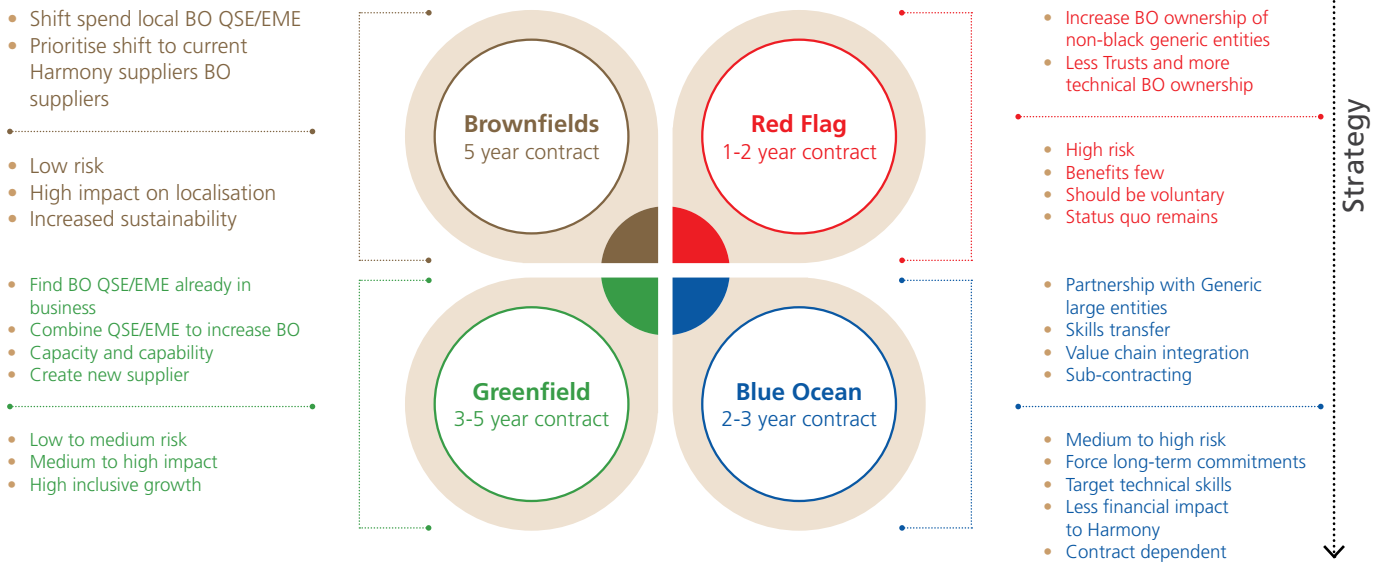
ENTERPRISE DEVELOPMENT AND PREFERENTIAL PROCUREMENT

Procurement and enterprise development are key to developing our social capital performance. Strategic procurement facilitates creation of sustainable businesses and entrepreneurial development, while reducing inequalities and supporting job creation as well as the sustainable socio-economic development of communities and regions in which we operate. Ultimately, positive social capital reinforces a healthy ecosystem in which our business and stakeholders can thrive and build resilience during and beyond our life-of-mine.

South Africa

Preferential procurement strategy

Preferential procurement strategy is underpinned by an operational model and enablers to ensure preferential procurement is embedded in the SCM processes



Source: Harmony; Bayajula Services Analysis.

Notes: ESD = Enterprise and Supplier Development; QSE = Qualifying Small Enterprise; EME = Exempt Micro Enterprise.

Our preferential procurement and enterprise and supplier development strategy prioritises spend in local and host communities. Our preferential procurement strategy focuses on these areas:

- Supporting existing non-compliant suppliers to meet the minimum black ownership targets as required in Mining Charter III, or to shift procurement spend to compliant suppliers
- Enhancing Harmony's current supply-chain model and ensuring preferential procurement is embedded in the sourcing process
- We promote partnerships and JVs to encourage skills transfer and development of local partners
- We work with generic and original equipment manufacturers to invest in local enterprises, and especially local manufacturing units
- Through incubation, create a pipeline of small and medium enterprises to take up procurement opportunities in core mining and engineering services, with emphasis on women and youth suppliers.

Harmony supports the South African government's imperative of facilitating sustainable socio-economic development and wider participation in the economy, particularly through mechanisms such as procurement and enterprise and supplier development. The broader mining industry, however, faces challenges in fully complying with Mining Charter III targets: firstly the dependency on multinationals and original equipment manufacturers (OEMs) and secondly, the limited availability of companies that are registered and approved producing locally manufactured goods of the required standard.

Anticipating these challenges, our revised preferential procurement strategy aims for full compliance in all areas of procurement.

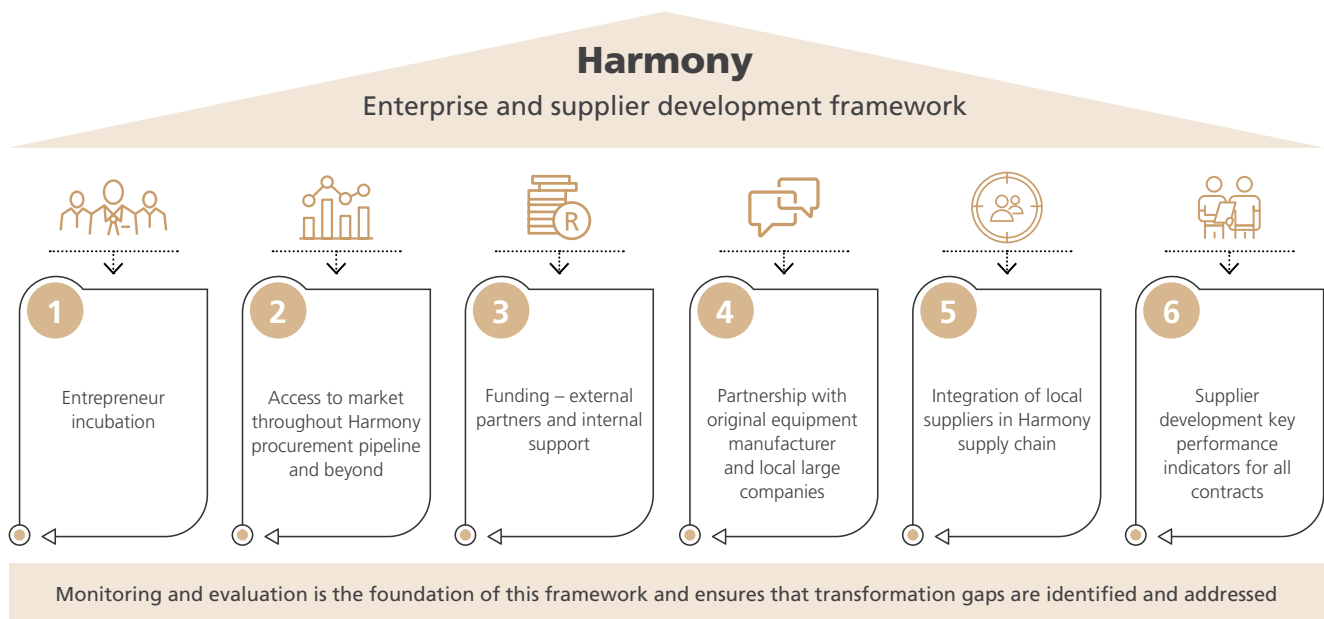
The strategy was approved by the board in 2019 and is being implemented using a differentiated approach depending on the supplier:

- Assisting suppliers to increase their black shareholding to 51%
- Facilitating sub-contracting to small and medium enterprises (SMEs)
- Promoting SMEs, with preference to host communities.

The strategy is based on an annual procurement plan to identify development and procurement opportunities for SME participation; our extensive SME databases to identify and match these companies to supplier value chains and sub-contracting opportunities.

Oversight vests with new tender committees at appropriate levels to promotion transformation in line with board-approved policy and procedures. To ensure that transformation benefits accrue to host communities and previously disadvantaged groups, supplier audits are being conducted.

The enterprise and supplier development framework illustrated below was approved by the board and supports the preferential procurement strategy.

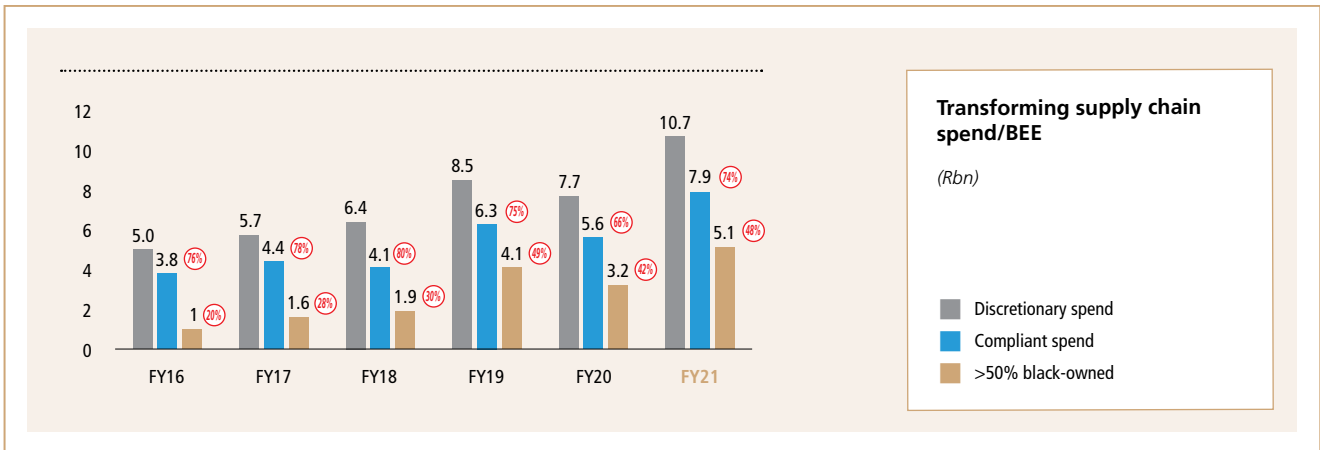


As illustrated, our development framework focuses on two areas:

- **Enterprise development:** potential suppliers mainly drawn from local communities where we operate:
 - Incubation centres in key areas, with satellite centres supporting other host communities
 - 63 enterprises being incubated
 - Over 100 enterprises being assisted with business development
 - Over 30 enterprises being supported through funding and other business support initiatives

- **Supplier development:** procurement opportunities for enterprises graduating from incubation and other qualifying small and medium enterprises:
 - Direct procurement opportunities and contracting
 - Partnering with OEMs as sub-contractor or strategic partner across the value chain
 - Creating partnerships with funding institutions to support preferential procurement, buying of shares in non-compliant companies, and creating black industrialists.

ENTERPRISE DEVELOPMENT AND PREFERENTIAL PROCUREMENT continued



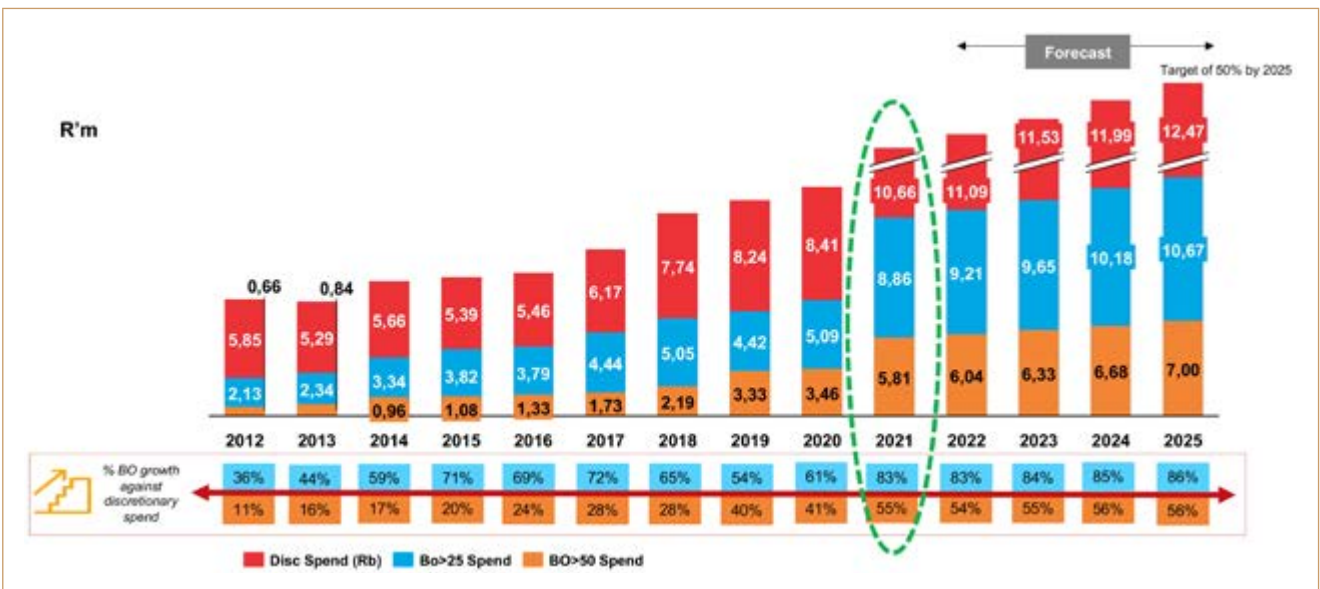
While Covid-19 restrictions and challenges last year disrupted delivery against this strategy, we made good progress in the review period. This includes moving our procurement spend from non-compliant suppliers. Where such a move is not feasible, we are partnering with, and educating, our suppliers on the new requirements so that they can align their transformation strategies and achieve higher levels of compliance.

This is being implemented in phases. The first phase, initiated in the third quarter of FY20, targeted 68 suppliers responsible for 73 initiatives to drive increased ownership, or shift spend to compliant companies, or establish partnerships between

empowered companies and large suppliers without adequate equity empowerment to allow meaningful transfer of scarce skills. Of the 68 suppliers selected for phase 1 with a total baseline spend of R1.7 billion, 54 are now compliant.

Phase 2 targeted 85 suppliers with a total discretionary spend of R1.96 billion.

The focus is on ensuring new entrants to our supply chain, particularly black women and youth-owned enterprises, shift spend, increase geographical reach and supporting longer-term contracts.

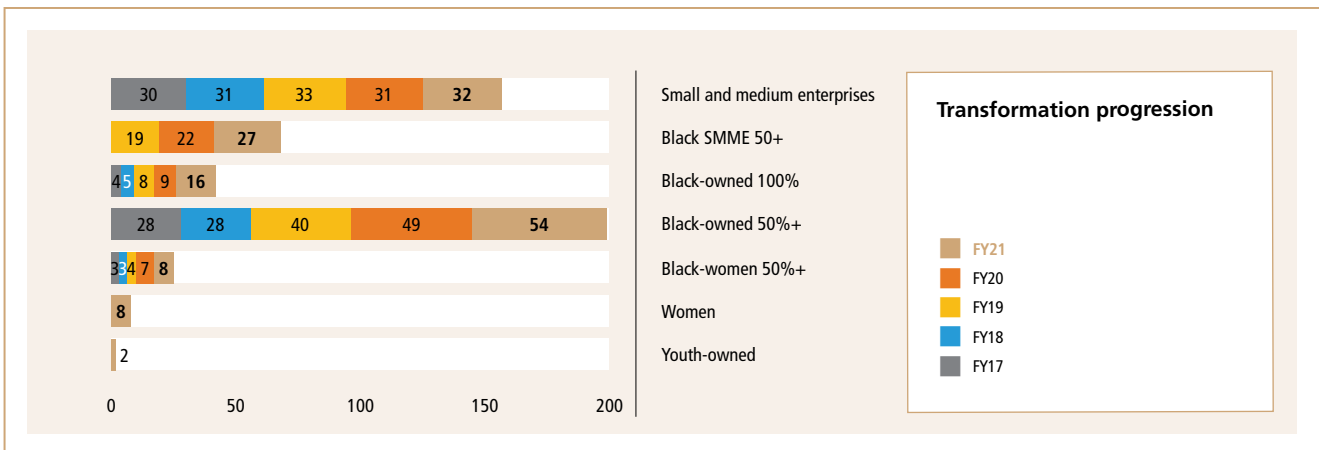


Source: Harmony; Bayajula Services Analysis.

There has been a 55% improvement in compliance since implementing this strategy and framework. The year-to-year movement for major categories is shown below.



The drop in metal products was due to the expiry of B-BBEE certificates for four companies with combined spend of over R60m. Although there has been year-on-year improvement for designated groups, this has been marginal for black women and youth-owned suppliers. Our emphasis in the next two years naturally focuses on women and youth-owned businesses. It remains the priority for our ESG programme.



Harmony Incubator programme

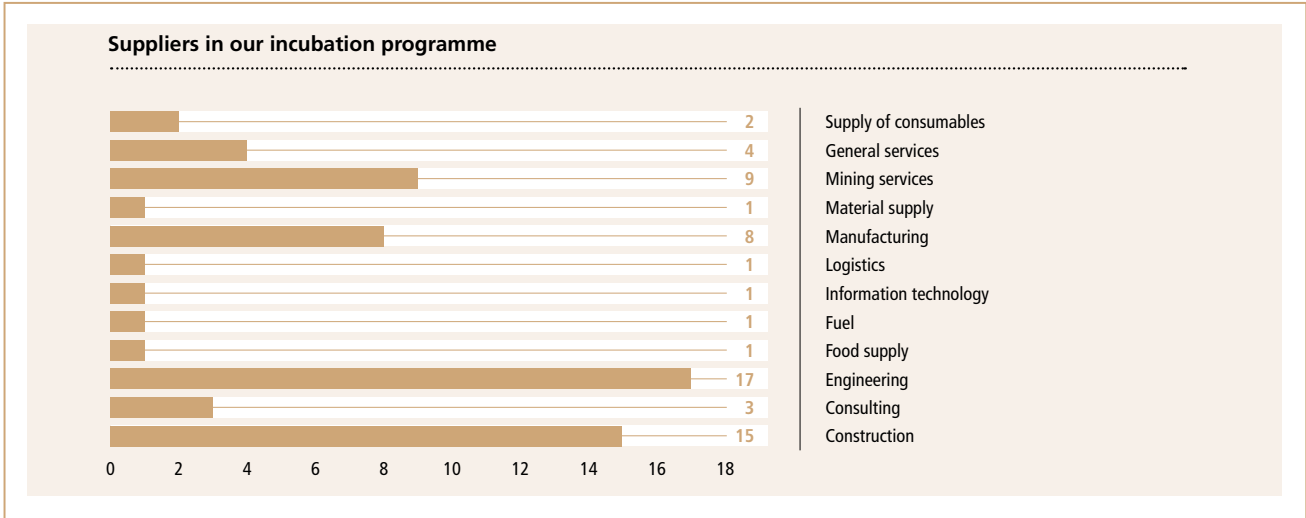
The entrepreneur incubation programme, launched in FY20, aims to assist 100% black, women and youth-owned enterprises to transition to suppliers of key mining and manufacturing commodities and services. Enterprises operating in specific areas were encouraged to apply:

- Mining and related value chain
- Fuel and chemicals
- Metal commodities
- Engineering products and services
- Manufacturers of mining-related products.

ENTERPRISE DEVELOPMENT AND PREFERENTIAL PROCUREMENT

continued

At the beginning of the programme, 63 women and youth-owned companies were approved to participate. In addition, we awarded procurement contracts to a number of enterprises in the incubation programme, while others were matched with OEMs for joint ventures and downstream opportunities. As these companies graduate, they will be integrated into our supply chain where opportunities arise.



Leano funding initiative

This initiative was launched five years ago to assist local host community suppliers in raising start-up finance and accessing technical assistance. The fund has disbursed loans to the value of R28.5 million since inception, with 26 loans worth R4.8 million approved in FY21. Since inception the initiative has created 1 596 jobs. An example of the impact of the initiative is that of Success Paint Proprietary Limited. Success Paints is a 100% black and youth-owned company, founded by Leaf Vincent Mathe. It was registered in 2016 as a paint manufacturer, and is situated at the Harmony business development centre in Welkom. After graduating from the Harmony incubation programme, the company was assisted with workshop space at the centre, and recently accredited by South African Bureau of Standards (SABS). In 2021, it was awarded a R3.6 million contract to manufacture and supply paint to the Harmony business units, as part of its growth and development plan. To date, Success Paints has created four permanent jobs, with two temporary employees.

Partnering for industry-specific skills transfer

During the year, Harmony awarded a five-year contract to the Maponya 911/ER24 partnership to provide on-site emergency medical services, initially at our Doornkop operation.

- Maponya 911 is a black-owned and run subsidiary of the Maponya Emergency Services group, in turn an established company with a footprint in six provinces. Maponya 911 is a member of the South African Private Ambulance and Emergency Services Association, a non-profit organisation focused on constantly improving the standards of pre-hospital emergency medical care in South Africa. While Maponya 911 is accredited and capable as a healthcare and emergency services provider, it lacked experience in the mining sector, which has unique health and safety challenges
- ER24 is an established and reputable emergency services company in South Africa.

Given that safety and health are business imperatives for Harmony, we viewed the creation of this partnership as, firstly, removing a barrier to entry and, secondly, an opportunity for shared benefit and skills transfer. Contractually, ER24 will partner with Maponya 911 on-site to provide a skills-transfer plan that enables a local company to enter and build a presence in the mining sector.

Building skills for quality products

Harmony has partnered with supplier Timrite, a mining supply and services company, to construct a manufacturing plant in Masilonyana, Free State with an estimated revenue of R4.8 million. This has created an opportunity for local entrepreneurs, who will manage the plant. It also demonstrates that our localisation strategy is an investment in national and local industrial capacity. Having local manufacturing capacity makes economic sense for Harmony because we can build the community that hosts us while meeting the needs of our operations, and at the required standards.

In addition to manufacturing essential elements in the mining process, such as charging sticks for blasting, the entrepreneurs will collect pallets from underground and mine stores, along with refurbishing and reclaiming slabs, gum planks and wedges. Timber reclamation is a key part of the timber yard but will benefit members of the Masilonyana community. Products from the new plant will be sent to Harmony operations first and then supplied to other mines in the area.

Our investment in Masilonyana is a sustained commitment to skills transfer and empowering members of the community by training local entrepreneurs to manufacture high-quality technical products. We will continue to develop local businesses and partner with funders for the necessary capital injections as these small businesses grow. This collaborative approach ensures entrepreneurs are able to access the Harmony value chain and develop new markets beyond our company.

Enhancing local manufacturing capabilities

Sandvik, a company based in Sweden, has operated in South Africa for 70 years and has already invested over R6 million in a new plant that was established to support local manufacturing in Welkom. It also aims to transfer skills to local entrepreneurs and transferring skills to the local community. DRS will manufacture new and refurbish used drill rods and produce other essential parts for drills, vital equipment in mining significant to wear and tear.

Startup assets donated by Sandvik include high-tech equipment to ensure the metallurgical testing and failure analysis of rock-drilling tools are conducted in-house in the metallurgical lab with state-of-the-art equipment. This will enable DRS to deliver a high-quality product and service from inception.

The new suppliers who will be part of this project will not only receive the premises, equipment and skills to run the operation, they will also benefit from access to markets. This is in line with the Harmony approach to enterprise and supplier development programmes – we believe these need to be more than courses for aspiring entrepreneurs, they need to be multilayered with capital investment, training and access to markets. The knock-on effect creates a quality supplier for Harmony, as well as jobs and security for the community.

Women and youth empowerment

Harmony Gold continues to empower and create procurement opportunities for black women and youth owned companies from host communities and has supported more than 150 black women and youth owned companies during this reporting period. The

following is a sample of companies that has been supported for the reporting period, they are part of the R734 million spend on women owned and controlled companies. Partners of choice doing business with Harmony are the following woman and youth owned businesses.

Suppliers:

Aleno General Trading
Tailor Made Trading and Projects Proprietary Limited
Matjeke Mining Services
Success Paint
Zambezi Mining Services Proprietary Limited
Gulwa Enterprise
SG Tapping
EBJ Saaiplaas
EBJ Gauteng
Udec Thermal
Eminox

Many of these companies hail from our host communities, some have been incubated in our development centres and some of these initiatives represent woman who have opened up opportunities to share their business and empower other woman through their businesses.

Mining Charter procurement requirements in South Africa

Mining Charter III emphasises the need to increase the inclusion of historically disadvantaged persons (HDPs), women and youth in procurement opportunities, in addition to requirements for spend on BEE-compliant businesses.

There is a strong drive to create South African manufacturing capability by including local-content requirements in procurement targets for mining goods. Accordingly, mining companies should focus on purchasing mining goods with local content of at least 60% and, after a two-year grace period, all goods provided in the mining supply chain should carry a local-content certificate, issued by accredited service providers or South African Bureau of Standards. Expenditure on fuel is no longer included in these calculations, which has a significant impact on the scores of larger mines and opencast operations.

Mining Charter III now categorises all spend in two categories – mining services and mining goods.

Compliance with Mining Charter III – FY21

While our revised procurement strategy enabled us to make significant progress last year, we did not fully comply with charter targets given the longer-term impacts of lockdowns and associated restrictions. Our performance improved in FY21:

- Of discretionary spend totalling R10.7 billion, 74% was preferential procurement
- Total procurement expenditure with BEE entities was R7.9 billion, of which R734 million was spent with black women-owned businesses and R5.5 billion with black-owned businesses
- We did not achieve our target for women and youth-owned businesses in the services sector.

By year end, we had achieved 74% compliance with the transformation requirements of the mining charter. We expect to reach compliance levels for women and youth-owned businesses by 2025.

📄 See [Mining Charter III – compliance scorecard](#).

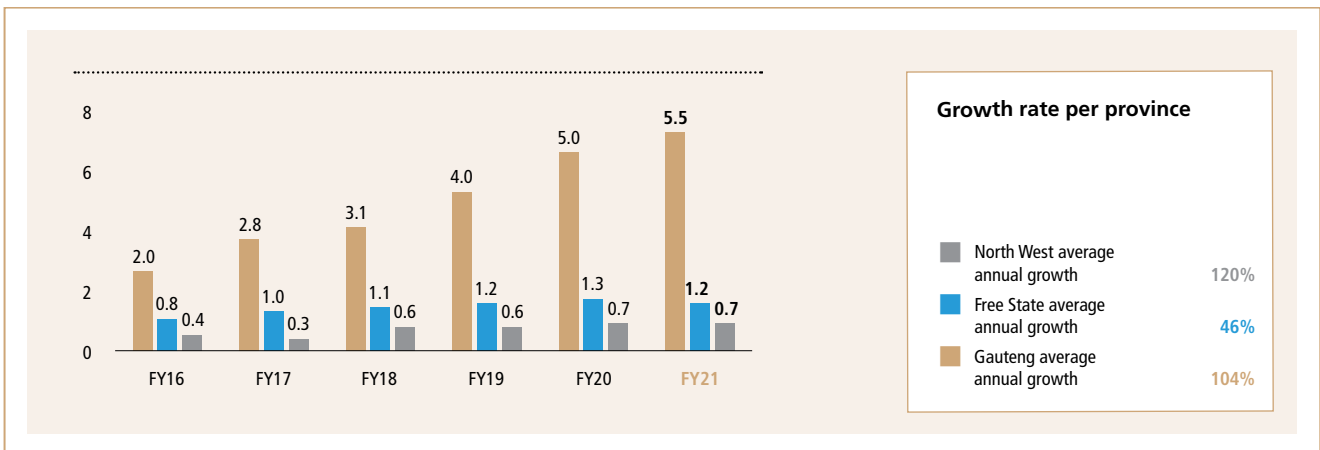
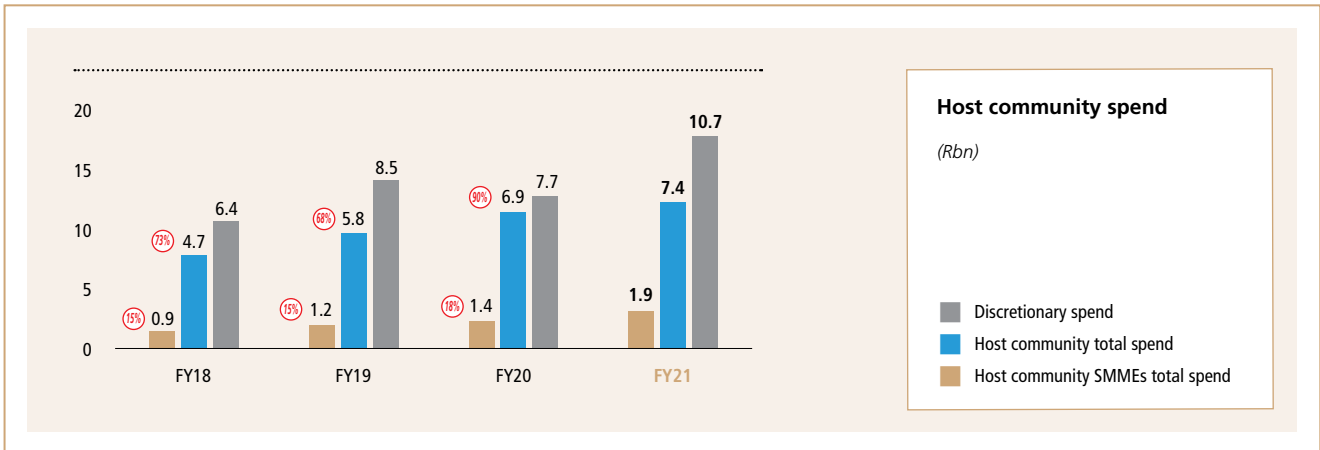
ENTERPRISE DEVELOPMENT AND PREFERENTIAL PROCUREMENT

continued

Host communities

Our preferential procurement strategy has dual thrusts: accelerating the transformation of our business while facilitating meaningful transformation in our communities and the broader economy. We willingly accept our moral and ethical obligation to build capacity and capability to strengthen livelihoods in our host communities. This secures our social licence to operate and develops our social capital – host communities that thrive because of our presence and assistance is our ultimate victory.

In recent years, we have focused on creating opportunities in the supply chain for our host communities to participate. In FY21, this translated into contracts for small and medium black-owned host community vendors with a combined value of R1.97 billion.



Supplier days

In FY21, we continued to introduce our preferential procurement strategy and enterprise and supplier development framework to local businesses. This was also a platform to discuss partnerships, contracting opportunities and, most importantly, how women and youth-owned companies could participate. This was done through supplier day webinars, held with business forums in our host communities. Supplier days expose SMEs to procurement opportunities and tendering processes. Through this initiative, R170 million was spent with new enterprises that are black-owned and controlled (>51%) while R38 million was spent with 41 new SMEs that are 100% black-owned.

Papua New Guinea

The local content and procurement policy has remained stable for several years. Local-content requirements – to the extent that they formally exist in the country – are embedded in the benefit-sharing arrangements negotiated and agreed per project between firms,

government authorities (local, regional and national) and local communities.

Our arrangement is to contract local companies in procuring goods wherever possible. We target major contracts that will have the most beneficial impact on local communities and landowner groups in the region of our operation. This approach also supports our social licence to operate.

Procurement expenditure by our Papua New Guinea assets in FY21 totalled R3.9 billion or US\$253 million (FY20: R3.9 billion or US\$231 million), of which R2.32 billion or US\$150 million (FY20: R2.47 billion or US\$145 million) was spent in Papua New Guinea. Of this, R493 million or US\$32 million (FY20: R697 million or US\$41 million) was spent in Morobe province). Harmony extended contracts to local landowner companies for a range of goods and services including earthmoving equipment hire, catering and accommodation, security services, bus transport and labour hire.

Procurement – Papua New Guinea

Rm	FY21	FY20	FY19	FY18	FY17
Total procurement spend	3 890	3 900	3 590	2 980	2 700
Expenditure in country	2 316	2 470	2 200	1 600	1 000
Expenditure in Morobe Province	489	697	1 100	1 100	725

GOVERNANCE

CREATING VALUE THROUGH TRANSPARENT DISCLOSURE

Harmony adheres to global best practice in reporting standards.

We believe that by presenting a balanced picture of our performance within our operating context and a reliable projection of our future performance, stakeholders are able to make informed decisions about our group.

Good governance lies at the heart of our performance, and our reporting. Guided by our policies and codes, we aim to do the right thing and tell our story honestly. Harmony is a business, but we operate in a broader, interlinked context. Considering every element of those links in our thinking and actions will make Harmony a sustainable business – poised for growth.



Main and service shaft head gear at Mponeng operations.


CORPORATE GOVERNANCE

Board committees

Audit and risk Social and ethics Remuneration Nomination Investment Technical







Strategy

The board sets and guides the group's strategic direction.

 Responsible stewardship	 Cash certainty
 Operational excellence	 Effective capital allocation

Capitals

The board, supported by its committees, determines the optimal allocation and use of our capital inputs to achieve Harmony's strategy.

Directly	Indirectly
 HUMAN CAPITAL	 INTELLECTUAL CAPITAL
 FINANCIAL CAPITAL	 NATURAL CAPITAL
 MANUFACTURED CAPITAL	 SOCIAL AND RELATIONSHIP CAPITAL

Stakeholders

The board has ultimate responsibility for stakeholder engagement, and thus for all stakeholders

GRI standards

Prepared in accordance with: 102-16, 102-17, 102-18, 102-22, 102-23, 102-24, 102-25, 102-26, 102-27, 102-28, 102-30, 205-2, 205-3, 206-1, 405-1 and 415-1

Responsible, ethical governance

The board subscribes to the principles of good corporate governance. Accordingly, it supports the definition of corporate governance as being the exercise of ethical and effective leadership to achieve specific governance outcomes, summarised below:

Ethical culture and responsible corporate citizenship	Good performance and value creation	Effective control	Legitimacy
<ul style="list-style-type: none"> Ethical leadership Organisational ethics Responsible corporate citizenship. 	<ul style="list-style-type: none"> Strategy and capital allocation Reporting Political donations Executive key performance indicators (KPIs) linked to ESG performance. 	<ul style="list-style-type: none"> Governing structures and processes Role of the board Board committees Appointment and delegation to management. <p>Functional areas</p> <ul style="list-style-type: none"> Risk governance Technology and information governance Compliance governance Remuneration governance Assurance and internal audit. 	<ul style="list-style-type: none"> Inclusive stakeholder engagement model and related disclosures.
<p>Underpinned by the principles of King IV</p>			

CORPORATE GOVERNANCE – an overview

The Harmony board’s philosophy is to adhere to sound corporate governance principles to enable strong, experienced management teams and promote a culture of shared value for all stakeholders.

As the global impact of the pandemic unfolds, the strong foundation of corporate governance principles continues to steer Harmony’s board and management. The safety and wellbeing of our employees and communities remains the driving force in our approach to managing the pandemic.

Strategic risk management

The board has oversight of the group’s risk governance process and progress in delivering on its strategy to produce safe, profitable ounces and increase margins. This includes a risk-based and proactive safety culture journey, now in its fifth year, and value-accretive acquisitions including the Hidden Valley reinvestment, Moab Khotsong operations and, most recently, Mponeng and Mine Waste Solutions.

📶 For more, refer to **Our risks and opportunities** in the **Integrated annual report 2021**.

Sustainable development

Harmony’s sustainable development framework and associated policies consider the SDGs and the group’s role in advancing our communities through preferential procurement, responsible environmental stewardship, employment equity and women-in-mining strategies, among others.

📄 Refer to **Our sustainability strategy, Material issues, Stakeholder engagement, and the Social and ethics committee chairperson’s report**.

Adding value

The role of the board is key in supporting Harmony’s ability to create sustainable value. The interconnected pillars that drive value creation by the board are strategy, stakeholders, sustainability and ethical and responsible corporate citizenship. All four pillars correspond with the principles of King IV. By exercising ethical and effective leadership, oversight of solid risk and performance management practices as well as commitment to good corporate governance, the board drives the efficient use of resources and ensures sustainability. In addition, the diversity of the board supports a stakeholder-inclusive approach to addressing multi-stakeholder interests.

Transformation and diversity of the board

Since 2019, the board, through the nomination committee, embarked on a board representation transitional plan to not only strengthen Harmony’s commitment to the four key pillars of King IV for good corporate governance but to further demonstrate its commitment to transformation and diversity in terms of gender, age, expertise, culture and race.

The transformation and diversity of the composition of the board is paramount. As such, the board representation transitional plan includes an annual evaluation of key gaps on the board and plans to close and mitigate against those gaps are implemented. The review of the board’s succession plans is an ongoing exercise to ensure that the board is consistently creating value for stakeholders through continuity, sustainability and transparency.

CORPORATE GOVERNANCE continued

The board at a glance

Our duty to be a responsible corporate citizen is supported by our board of directors and their commitment to ethical leadership.

	Composition and tenure	Independence
Overarching principle	<ul style="list-style-type: none"> Responsible corporate citizenship and commitment to ethical leadership. 	
Board independence, diversity and experience (as at 30 June 2021)	Members 15	<p>60% Nine members of the board are independent non-executive directors</p> <p>Independence</p> <ul style="list-style-type: none"> 60 – Independent non-executive directors 20 – Non-executive directors 20 – Executive directors
	Chairman and lead independent director ✓	
	Average age (years) 61	
<p>Tenure (number of directors)</p> <p>Between 1 and 5 years: 4 Between 6 and 10 years: 4 More than 10 years: 7</p>		
Transformation		Representation
<p>67% Ten members are historically disadvantaged persons</p> <p>Transformation</p> <ul style="list-style-type: none"> 67 – Historically disadvantaged persons 23 – Other 		<p>27% Four members are women</p> <p>Female representation</p> <ul style="list-style-type: none"> 73 – Male 27 – Female
Core skills and experience		
Number of directors with skills in the following areas		
<p>Core skills and experience</p> <ul style="list-style-type: none"> 15 Corporate governance 8 Entrepreneurship, business development 4 Mining engineering technical and technology 10 Mining industry 7 Sustainable development 4 International and government relations 7 Finance and accounting expertise 12 Strategy and risk 		
Governance and compliance policies	<ul style="list-style-type: none"> Terms of reference for the board Terms of reference for board committees Board delegation of authority Code of conduct Behavioural code Corporate governance and compliance policy and framework. 	<ul style="list-style-type: none"> Internal audit charter Disclosure required by section 303A.11 of the NYSE listed company manual Public Access to Information Act manual (PAIA) Whistleblower policy.
Foundation of corporate governance compliance	<ul style="list-style-type: none"> Companies Act, JSE Listings Requirements (primary), New York Stock Exchange requirements, memorandum of incorporation, King IV Voluntary compliance with the principles of the United Nations Global Compact, International Council on Mining and Metals, GRI Standards and the international cyanide management code for the manufacture, transport and use of cyanide in the production of gold (cyanide code). 	

Compliance policy and framework

Harmony subscribes to the iCraft framework of ethical leadership as recommended by King IV.



With its long-standing commitment to good corporate governance, the Harmony board is satisfied that appropriate practices are in place to promote the company's reputation as an ethical, reputable and legitimate organisation and a responsible corporate citizen.

Acknowledging the significance of corporate governance and compliance, the board, through the audit and risk committee, has a formal corporate governance and compliance policy and framework that sets out the principles of good corporate governance for the board as well as employees at all operational levels (refer page 111).

In terms of the JSE Listings Requirements, Harmony is required to disclose its application of the principles of King IV. The board, to the best of its knowledge, believes Harmony has satisfactorily applied the principles of King IV.

 For a more detailed review of Harmony's application of King IV, refer to the **King IV compliance report 2021** on page 135.

Ethical culture and responsible corporate citizenship

Ethical leadership

The board leads by example. Each director is therefore expected to continually exhibit the characteristics of integrity, competence, responsibility, accountability, fairness and transparency in their conduct. Collectively, the board's conduct, activities and decisions are characterised by these attributes, which also form part of the regular assessment of the board and individual directors' performance. The board recognises that ethics is one of the pillars of sustainable business practice.

The board charter elaborates on the standard of conduct expected from members. In addition, the board policy on declaration of interests limits the potential for a conflict of interest and ensures that, in cases where conflict cannot be avoided, it is properly disclosed and proactively managed within the boundaries of the law and principles of good governance.

Organisational ethics

The board sets the group's approach to ethics. Oversight and monitoring of organisational ethics is the mandated responsibility of the social and ethics committee on behalf of the board. Details of arrangements for governing and managing ethics, key focus areas in the reporting period, measures taken to monitor organisational ethics and planned areas of future focus appear in the **Social and ethics committee: chairperson's report**. See pages 18 and 19. 

In FY19, the Ethics Institute of South Africa conducted an ethics opportunity and risk assessment at Harmony, reporting its findings to the social and ethics committee. The outcome of the assessment informs our ethics management strategy and determines the scope and contents of related initiatives in future. Key action items identified included:

- Increase awareness of corruption and adopt zero tolerance
- Actions taken against transgressors
- Promote and emphasise the fair treatment of employees despite their status, age, gender or rank
- Communicate a clear process flow chart indicating how whistleblower concerns are addressed in the organisation, and ensure anonymity when using the whistleblowing line
- Implement additional training opportunities in the organisation on ethical topics
- Develop a process to monitor all disciplinary actions to ensure consistency and fair treatment of employees.

In FY21, the Ethics Institute of South Africa reviewed its findings from FY19 and provided further training and workshops to the social and ethics committee and key ethics champions in Harmony to further strengthen the governance of ethics and ethical leadership towards ethical cultures throughout the organisation.

Ethics department and ethics management committee

To embed an ethical culture, Harmony has an ethics department that includes a permanent certified ethics officer who ensures the ethics management plan and programme are executed sufficiently and

CORPORATE GOVERNANCE continued

communicated throughout the organisation. Our ethics management committee monitors our ethical culture and integrity, assisted by the ethics officer and the white-collar crime committee. The following noteworthy processes were introduced and developed further in the review period:

- Enhanced declaration-of-interest management and reporting
- Enhanced gift-logging management and reporting
- Enhanced reporting format to the social and ethics committee
- Integrated electronic ethics management system
- Centralisation of all ethics management activities in the group.

The ethics management committee also assesses declarations of interest in terms of the code of conduct and provides feedback to the executive committee, which then reports to the board's social and ethics committee. As a result, ethics are discussed and examined at every level of management in the company. The Ethics Institute of South Africa is currently assisting management and the social and ethics committee to embed the governance of organisational ethics.

Responsible corporate citizenship

The mining industry introduces a unique duty and opportunity to the group to be a responsible corporate citizen. Although the board sets the tone and direction for the way in which corporate citizenship should be approached and managed, ongoing oversight and monitoring of the group's performance against targets is part of the mandate of the social and ethics committee. Additionally, the social and ethics committee, remuneration committee and audit and risk committee are tasked with specific aspects of ESG oversight roles on behalf of the board to align Harmony's strategy with key ESG considerations.

Extensive detail on the consequences of the group's activities and outputs, which affect its status as a responsible corporate citizen, with relevant measures and targets are provided elsewhere in this report.

Good performance and value creation

Strategy

The board is responsible for approving the group's short, medium and long-term strategy as developed by management. In doing so, it focuses on critical aspects of the strategy including the legitimate and reasonable needs, interests and expectations of material stakeholders as well as the impact of the group's activities and output on the various capitals employed in the business process. Risks and opportunities connected to the triple context (economy, society and the environment) in which the group operates are integral to the board's strategic reviews of the business.

Policies and operational plans supporting the approved strategy are submitted regularly by management for review and formal board approval. The board attends an annual strategy session to confirm and review the company's strategy. In FY21, the board held additional meetings to formally consider and approve Harmony's growth strategy.

Strategy is part of the ongoing conversation in the boardroom. Regular oversight of the implementation of Harmony's strategies and operational plans takes place against agreed performance measures and targets.

Given that the company's reputation as a responsible corporate citizen is an invaluable attribute and asset, the consequences of activities and outputs, in terms of the capitals employed, are continuously assessed by the board through its committees. This will ensure we are able to respond responsibly and limit any negative consequences of our activities, to the extent reasonably possible. In addition, the board continuously monitors the reliance of the group

on these capital inputs – our natural capital (including mineral resources and reserves), employees, financial capital, communities and society at large, our mining infrastructure and our intellectual and technological know-how – as well as the solvency, liquidity and going-concern status of Harmony.

Reporting

In protecting and enhancing the legitimacy and reputation of the group, the board ensures comprehensive reporting takes place on different platforms. The FY21 suite of reports appears on the inside front cover.

The board's intention is to meet and exceed legal requirements, as well as the legitimate and reasonable information needs of material stakeholders. The board is satisfied with management's basis for determining the materiality of information to be included in our external reports. The audit and risk committee, assisted by the social and ethics committee, is tasked with reviewing all external reports to verify the integrity of information.

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. Harmony donated R10 million towards the 2021 local authority elections of South Africa. The funds were divided proportionally to the support that the political parties had received during the previous national election.

Effective control – governing structures and processes

Role of the board

The board exercises its leadership role by:

- Steering the group and setting its strategic direction
- Approving policy and planning that gives effect to the direction provided
- Overseeing and monitoring implementation and execution by management
- Ensuring accountability for the group's performance by means of reporting and disclosures.

The role and function of the board, including guidelines on its composition and procedures, are detailed in the board charter. This is reviewed regularly to ensure it remains relevant.

There is a protocol in place should any of the board members or committees need to obtain independent, external professional advice at the cost of the company on matters within the scope of their duties. Non-executive directors are also aware of the protocol for requisitioning documentation from, and setting meetings with, management. Board members have direct and unfettered access to the chief audit executive, group company secretary and members of executive management.

Based on its annual work plan, the board is satisfied that it fulfilled its responsibilities in the review period in line with its charter.



See Board and committee attendance on page 117.

Board committees

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

The following committees have been established:

- Audit and risk
- Social and ethics
- Remuneration
- Nomination
- Investment
- Technical.

Each committee has formal terms of reference, reviewed annually (and when necessary) to ensure the content remains appropriate. The terms of reference address, as a minimum, the recommended items in King IV.

 See **Board committees**.

Effective control – functional areas

Risk governance

The board appreciates that risk is integral to the way it makes decisions and executes its duties. Risk governance encompasses both risks and opportunities as well as a consideration of the potential positive and negative effects of any risks on achieving Harmony's objectives. The group's risk appetite and tolerance levels, which support its strategic objectives, are considered annually. The board is supported in this area by the audit and risk committee.

Responsibility for implementing and executing effective risk management is delegated by the board to management. The board acknowledges the need to integrate and embed risk management in the business activities and culture of the group. The audit and risk committee is tasked with ensuring independent assurance on the effectiveness of risk management in the group, when deemed necessary and appropriate.

 See **Our risks and opportunities** in the **Integrated annual report 2021**.

Technology and information governance

The board, assisted by the audit and risk committee, is responsible for governing technology and information to support the group in setting and achieving its strategic objectives.

A technology and information steering committee has a well-defined charter and is responsible for oversight of technology and information direction, investment and alignment with business strategy and priorities. It is chaired by the financial director and members include the head of information services and group executive committee.

Management adopted the Control Objectives for Information and Related Technologies (COBIT). COBIT provides recommended best practices for governance and control processes of information systems and technology to align IT with business. This high-level framework has been aligned with more detailed IT standards and good practices.

In addition, internal audit provides assurance to management and the audit and risk committee on the effectiveness of the governance of technology and information.

In FY21, Harmony completed the first phase of a centralised human resource management system to improve human capital management efficiencies and continued upgrading the enterprise resource planning (ERP) system. Ernst & Young (EY) provides assurance on both processes.

Compliance governance

Being an ethical and responsible corporate citizen requires zero tolerance for any incidents of legislative non-compliance. In addition, compliance with adopted non-binding rules, codes and standards is essential in achieving strategic business objectives.

The foundation of our corporate governance complies with:

- The Companies Act
- Requirements of the JSE, where we have our primary listing
- Requirements of the New York Stock Exchange, where we have our secondary listing
- King IV and related principles and codes of good corporate governance.

Harmony also complies voluntarily with the principles of:

- United Nations Global Compact
- International Council on Mining and Metals
- GRI
- Cyanide code.

Code of conduct

Our behavioural code and code of conduct commits Harmony, our employees and our contractors to the highest moral standards, free from conflicts of interest. The board reviews the code at least every second year, while its application in Harmony is continually monitored by management. The code of conduct was reviewed and updated in FY21. Our ethics programme is also subject to independent assurance as part of the internal audit coverage plan. The code of conduct addresses critical issues including respect for human rights, anti-corruption, gifts and entertainment and declarations of interests. It encourages employees and other stakeholders to report any suspected irregularities. This can be done anonymously through a 24-hour hotline (managed independently) and other channels. All incidents reported are investigated and monitored by the white-collar crime committee, which comprises managers representing various disciplines in the company and reporting to the management ethics committee.

Whistleblowing policy

Our whistleblowing policy encourages shareholders, employees, service providers, contractors and members of the public to report practices at any of our workplaces that are in conflict with any law, regulation, legal obligation, ethical codes or governance policies. It also provides a mechanism for our stakeholders to report these practices internally, in confidence, independent of line management, and anonymously if they wish. The whistleblowing policy informs whistleblowers of their rights. Harmony is committed to protecting whistleblowers from any reprisals or victimisation.

The identity of any employee or stakeholder who reports non-compliance with the code of conduct and other irregularities is protected. Our anonymous ethics hotline numbers are widely advertised throughout the organisation:

- South Africa: +27 (0) 800 204 256
- Papua New Guinea: +675 (0) 00 478 5280
- Australia: +61 (1) 800 940 949.

Human rights

At Harmony, we conduct our activities in a way that respects human rights as set out in the laws and constitutions of the countries in which we operate. Our approach to respecting human rights includes adhering to corporate policies, complying with applicable laws and regulations, regular dialogue and engagement with our stakeholders and contributing, directly or indirectly, to the general wellbeing of communities within which we operate.

CORPORATE GOVERNANCE **continued**

Legislative compliance

The compliance function ensures compliance with laws, codes, rules and standards applicable to the company. Compliance information and reports on the status of legislative compliance are presented at audit and risk committee meetings.

The Protection of Personal Information Act 4 2013 (POPIA) came into effect on 1 July 2021. Harmony has effected the necessary measures to adhere to the requirements of this act in support of good governance. Implementation of POPIA compliance, including promoting POPIA awareness in the organisation is ongoing.

In line with POPIA, Harmony's appointed information officer is registered at the information regulator. This officer is responsible for managing all personal information and ensures compliance with this act.

 For more, see: www.harmony.co.za/sustainability/governance#policies

Broad-based Black Economic Empowerment Act

 The annual compliance report in line with section 13G(2) of this act appears on pages 136 and 137.

Dealing in Harmony shares

During price-sensitive periods, our employees and directors are prohibited from dealing in Harmony shares. Written notice of these restricted periods is communicated to them by the group company secretary. In terms of regulatory and governance standards, directors and employees are required to disclose any dealings in Harmony shares in line with the JSE Listings Requirements. The clearance procedure for directors and the group company secretary to deal in Harmony shares is regulated by the company's policy on trading in shares and insider trading. This policy is reviewed every second year, and was updated in FY21.

Significant fines

Harmony paid no significant fines in any of its areas of operation. No actions were brought against it for anti-competitive behaviour or anti-trust or monopoly practices in FY21.


Foreign private issuers

New York Stock Exchange foreign private issuers, such as Harmony, must highlight any significant ways in which their corporate governance practices differ from those followed by United States domestic companies subject to the listing standards of the New York Stock Exchange.

 A summary of these differences appears in our 2021 **Form 20-F** filed with the United States Securities and Exchange Commission on our website at: <https://www.harmony.co.za/invest/annual-reports>.

Remuneration governance

Attracting and retaining the required skills depends largely on the remuneration levels and practices in any business. It is therefore vital to ensure the group remunerates fairly, responsibly and transparently to support the achievement of strategic objectives and positive outcomes in the short, medium and long term. The board is supported in this area by the remuneration committee.

 Extensive detail on group remuneration is provided in the **Remuneration report** in the **Report to shareholders 2021**.


Provision has been made in the notice of the 2021 annual general meeting for a non-binding advisory vote of shareholders on the remuneration policy and remuneration implementation report.

 See the **Notice of annual general meeting** in the **Report to shareholders 2021**.

Assurance and internal audit

The audit and risk committee oversees arrangements for assurance services and functions on behalf of the board to ensure these are effective in achieving the objectives of an enabling control environment and supporting the integrity of information for internal decisions and external reporting.

A combined assurance framework effectively covers the group's significant risks and material matters through a combination of internal functions and external service providers.

 More information appears in the **Audit and risk committee: Chairperson's report** in the **Report to shareholders 2021**.

Despite the output of the combined assurance framework, board members are expected to apply an enquiring mind, form their own opinion on the integrity of information and reports, and the degree to which an effective control environment has been achieved.

Internal audit plays an important part in the overall assurance approach and effectiveness of the assurance framework. The audit and risk committee oversees the internal audit function on behalf of the board.

External independent quality assessment


In FY19, the internal audit function underwent an independent quality review conducted by the Institute of Internal Auditors South Africa. The function was found to generally conform with international standards for the professional practice of internal auditing. No material findings were noted. The external quality assessment is performed every five years.

Legitimacy

Inclusive stakeholder engagement model

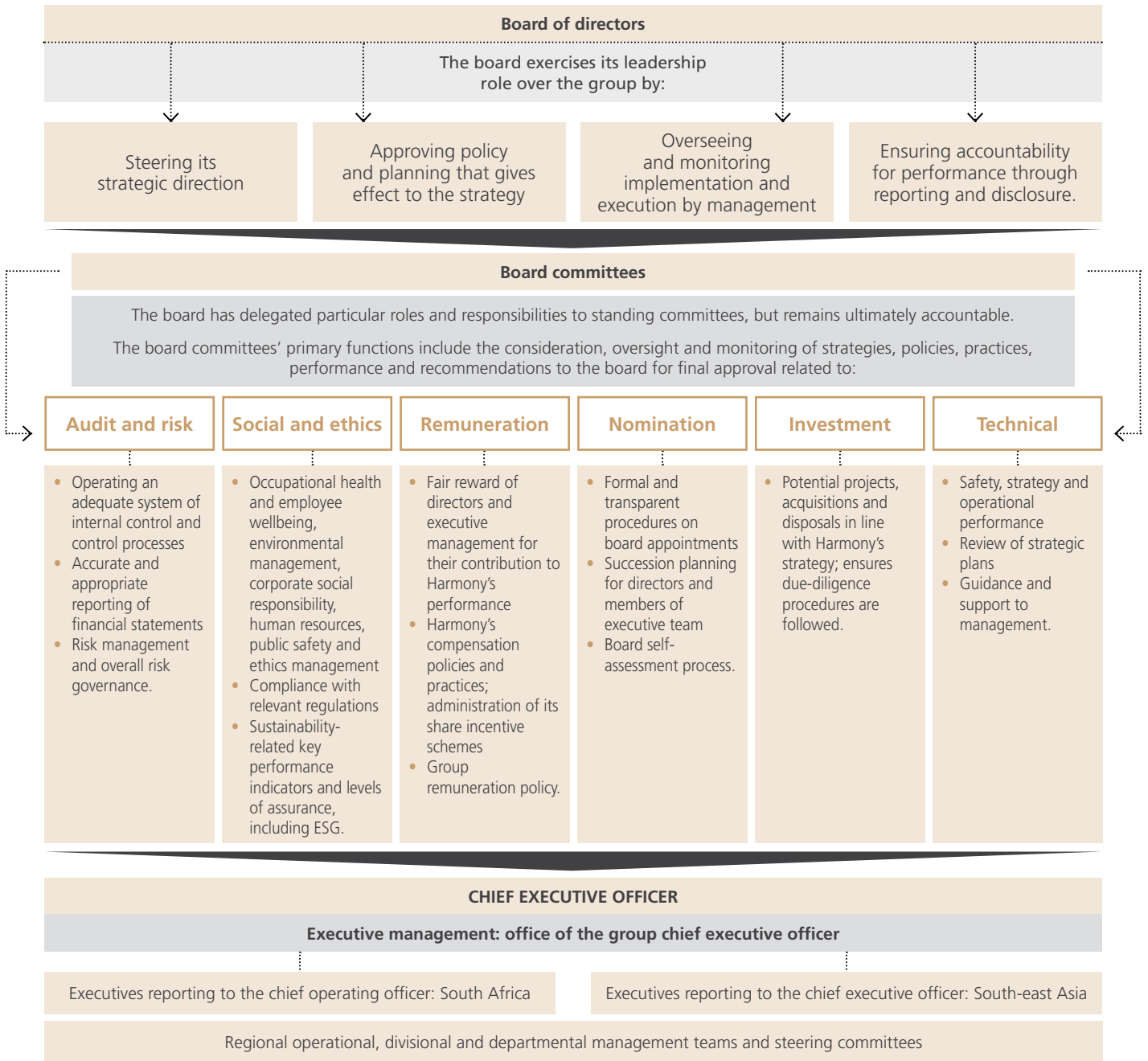
The board sets the direction for the group's approach to stakeholder relationships. An inclusive stakeholder engagement approach considers whether the legitimate needs, interests and expectations of all material stakeholders have been adopted.

 Information on material stakeholders and the manner in which relationships with stakeholders are managed, governed and monitored appears in **Stakeholder engagement**.

 Shareholders are encouraged to attend the Harmony annual general meeting, detailed in the **notice of the 2021 annual general meeting** at www.harmony.co.za in the **Report to shareholders**.

Group organisational structure

The group is led and directed by a unitary board of directors that is guided by ethical leadership practices, supported by board and committee charters that are reviewed regularly. The group executive management team, headed by the chief executive officer, is responsible for leading implementation and execution of the board-approved strategy, policy and operational planning and governed appropriately in line with a formal delegation of authority framework.



📡 See **Our leadership** section in the **Integrated annual report 2021** for more information on the board and executive management team.

CORPORATE GOVERNANCE **continued**

Board composition, chairman, independence and meeting attendance

Board diversity


Diversity and transformation are key focus areas for the board. Harmony has adopted a promotion of broader diversity policy at board level, specifically focused on promoting the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience.

The board is satisfied that its composition reflects the appropriate mix of knowledge, skills, gender, race, culture, age, experience and independence. In addition, the composition of the board and its leadership structure ensures there is a balance of power in the boardroom and that no one director has unfettered authority of decision making.

Board composition

The board has 15 highly experienced and reputable members: 12 are non-executive directors of whom nine are independent; three are executive directors; four are female and ten are historically disadvantaged persons.

The role and function of the board, including guidelines on its composition and procedures, are detailed in the board charter. This is reviewed regularly to ensure it remains relevant.

 Brief profiles of board members appear in the **Our leadership** section in the **Integrated annual report 2021**, with detailed résumés online.

Role of chairman

The chairman of the board, Dr Patrice Motsepe, and deputy chairman, Mr Modise Motloba, are non-executive directors, but not classified as independent. The board is satisfied that the lead independent director, Dr Mavuso Msimang, meets the requirements for an independent director under the Companies Act and King IV, and any other criteria evidencing objectivity and independence established by the board.

The duties of the chairman, deputy chairperson and 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.

These appointments are reviewed annually and form part of the board's succession plan for the position of chairman and lead independent director.

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

Assessing independence of directors with tenure of over nine years


The majority of non-executive directors are classified as independent and their independence has been reviewed by the nomination committee. The board appreciates that independence is primarily a state of mind and all board members, despite their categorisation, are expected to act independently and with unfettered discretion at all times. This expectation is confirmed in the board charter.

An assessment of Dr Simo Lushaba who has served on the board for 19 years, Mr Joaquim Chissano (16 years), Ms Fikile De Buck (15 years), Dr Mavuso Msimang (10 years) and Mr John Wetton (10 years) was undertaken during the year under review.

Following assessment by the nomination committee, the board is satisfied that these 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, 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 demonstrated they were independent of mind and judgement, and had objectively fulfilled their roles as independent non-executive directors, despite their tenure on the board. The wealth of experience of these members, in addition to their standing as reputable individuals of integrity and character, makes their ongoing input and contribution an invaluable asset to the board and the group.

In line with the board composition transitional plan, the board (with the assistance of its nomination committee) continued to consider its composition, structure, size and independence, to align with best practice and with the board's diversity policy. Two of our longest serving board members, Ms Fikile De Buck and Dr Simo Lushaba, who retire by rotation this year, although eligible, will not be seeking re-election to the board effective as of the conclusion of the 2021 annual general meeting.

 For further detail refer to **Report to shareholders**.

Nomination, election and appointment

The nomination committee is tasked with identifying potential candidates for appointment to the board, while actual appointment is a matter for the board as a whole. The collective knowledge, skills and experience required by the board, as well as diversity, are all aspects considered by the board before appropriate candidates are identified for nomination. The nomination committee conducts the necessary independence checks and investigations on potential candidates, as recommended by King IV.

All new board members receive formal letters of appointment. In addition, they participate in an extensive induction programme to enable them to make the maximum contribution in the shortest possible time. Ongoing mentorship is provided to members with no or limited governance experience and they are encouraged to undergo appropriate training. Provision has also been made in the board's annual work plan for regular briefings on legal and corporate governance developments, as well as risks and changes in the external environment of the group.

As required by the provisions of Harmony's Memorandum of Incorporation, a third of the non-executive directors are expected to retire by rotation at each annual general meeting of the company. The names and profiles of these members have been included in the notice of the 2021 annual general meeting in the **Report to shareholders 2021**. The board is comfortable in recommending their re-appointment to shareholders.

The role and function of the board, including guidelines on its composition and procedures, are detailed in the board charter, which is reviewed regularly to ensure it remains relevant and applicable.

Board performance evaluations

The board fully supports the thinking that an appropriate evaluation of the board and its structures is a strategic value-adding exercise that facilitates continual improvement of its performance and effectiveness. An independent formal self-evaluation process was undertaken in FY21. This included an assessment of the performance of the board, its chairman and individual members as well as committees, chief executive officer and group company secretary.

Overall, the self-evaluation reconfirmed that the board and its committees were considered:

- Highly effective
- Appropriately positioned to discharge their governance responsibilities
- Well supported by its committees
- Working as a cohesive unit and that the highest ethical standards are applied in deliberations and decision-making, enabling the board to provide effective leadership from an ethical foundation.

The consensus among board members is that the chief executive officer:

- Communicates consistently and effectively with all Harmony's stakeholders
- Created and implemented an effective strategy, supported by management
- Demonstrates ethical and transparent leadership by living the company's culture and reinforcing its values.

Considering the outcome of the evaluation process, the board is satisfied that the process is improving its performance and effectiveness. The following matters were highlighted as areas for improvement:

- Although the board was satisfied with its diversity in terms of knowledge, skills, experience, culture and race, it acknowledged the need to improve representation in terms of gender and tenure
- Long-standing board members should continue to be tested for independence.

Conflicts of interest

Each member of the board is required to submit a general declaration of financial, economic and other relevant interests and to update these declarations as necessary. In addition, the declaration of interests in any matter on the agenda of a board or committee meeting is a standard item at the start of every meeting. In the event of a potential conflict being declared, the board proactively manages this conflict within the boundaries of the law.

Appointment and delegation to management

The board is responsible for appointing the chief executive officer on recommendation by the nomination committee. Harmony's chief executive officer, Mr Peter Steenkamp, is responsible for leading implementation and execution of the board-approved strategy, policy and operational planning, and serves as a link between the board and management.

He is accountable and reports to the board. He is not a member of the remuneration, audit or nomination committees. He does attend meetings of these committees as required to contribute insights and information.

Succession planning for this position forms part of the executive succession plan that is monitored on behalf of the board by the nomination committee. An emergency succession plan is also in place and reviewed annually.

A formal delegation-of-authority framework is in place and reviewed regularly by the board to ensure its appropriateness to the business. The delegation-of-authority addresses the authority to appoint executives who may serve as ex officio executive members of the board and to make other executive appointments.

Group company secretary

The group company secretary, Ms Shela Mohatla, is a full-time employee of Harmony who was appointed by the board on 14 August 2020. She is a chartered secretary by profession.



Her résumé appears on

www.harmony.co.za/about/executive.

The board has direct access to the group company secretary who provides professional and independent guidance to the board as a whole and to members individually on corporate governance and legal duties. She also supports the board in coordinating the effective and efficient functioning of the board and its committees.

The group company secretary has unrestricted access to the board and, at all times, retains an arm's-length relationship to enhance the independence of the position. She is not a member of the board but, being accountable to the board, reports to the board via the chairman on all statutory duties and related functions.

To facilitate and enhance the independence and effectiveness of the group company secretary, the board ensures the office of the group company secretary is empowered and the position carries the necessary authority. The remuneration committee considers and approves the remuneration of the group company secretary on behalf of the board.

The board annually assesses the performance and independence of the group company secretary and confirms she has the necessary competence, gravitas and objectivity to provide independent guidance and support at the highest level of decision-making in the group. Her performance and independence were assessed in August 2021, and the board is satisfied with her competence, experience and qualifications.

The board is therefore satisfied that arrangements in place for accessing professional corporate governance services are effective.

Discharge of responsibilities

The board is satisfied that the committees properly discharged their responsibilities over the past year.

Furthermore, the board complies, to the best of its knowledge, with the Companies Act and its memorandum of incorporation, monitors such compliance on an ongoing basis and operates in conformity with its memorandum of incorporation.

CORPORATE GOVERNANCE *continued*

Board and committee attendance

Name	Age	Appointed director	Independent	Attendance by committee						Attendance at board meetings	
				Audit and risk*	Social and ethics*	Technical*	Investment*	Remuneration*	Nomination		
Non-executive directors											
Dr Patrice Motsepe (chairman)	59	2003**							2/4	4/4	100%
Mr Modise Motloba (deputy chairman)	55	2004			6/6	7/7	8/8		4/4	4/4	100%
Dr Mavuso Msimang (lead independent)	80	2011	✓		5/6				4/4	4/4	100%
Dr Simo Lushaba	55	2002	✓	7/8	5/6		7/8	5/5		4/4	100%
Ms Fikile De Buck	61	2006	✓	8/8	5/6			5/5	4/4	3/4	75%
Ms Karabo Nondumo	43	2013	✓	8/8		6/7	7/8			4/4	100%
Mr John Wetton	72	2011	✓	8/8	6/6		8/8	5/5		4/4	100%
Mr Vishnu Pillay	64	2013	✓			7/7	8/8	5/5	4/4	4/4	100%
Mr Joaquim Chissano	82	2005	✓		4/6		5/8			4/4	100%
Mr André Wilkens	72	2007				7/7	8/8	5/5		4/4	100%
Ms Given Sibiyi	52	2019	✓	8/8						4/4	100%
Mr Peter Turner ^(a)	65	2021	✓			4/4 ^a	1/1 ^a			1/1 ^a	100%
Executive directors											
Mr Peter Steenkamp	61	2016								4/4	100%
Ms Boipelo Lekubo	38	2020								4/4	100%
Mr Harry Mashego	57	2010								4/4	100%

as at 30 June 2021

* Includes ad-hoc meetings for the year.

** Appointed chairman in 2004.

^(a) Appointed as board member and member of technical committee on 19 February 2021, member of investment committee on 7 May 2021.

On 30 September 2020, Harmony announced the resignation of Mr Ken Dicks and Mr Max Sisulu as independent non-executive directors and the retirement of Mr Frank Abbott as executive director from 30 September 2020.

On 18 December 2020, Harmony announced the resignation of Ms Grathel Motau as independent non-executive director from 18 December 2020.

BOARD COMMITTEES

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

The following committees have been established:

- Audit and risk
- Social and ethics
- Remuneration
- Nomination
- Investment
- Technical.

A brief description of each committee, its functions and key activities and actions in FY21 appears on the following pages.

📶 The qualifications and experience of each committee member are included under **Our leadership** section in the **Integrated annual report 2021** and in the document **Board and management resumes** that is available online.

Terms of reference

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

📶 The respective terms of reference appear on <https://www.harmony.co.za/sustainability/governance/practices-policies>

Committee membership

In considering committee membership, the board, assisted by the nomination committee, is mindful of the need for effective collaboration through cross-membership between committees, where required. The timing of committee meetings is coordinated to facilitate and enhance the effective functioning and contribution of each committee. Duties and responsibilities are documented to clearly define the specific role and positioning of each committee on topics that may be within the mandate of more than one committee. Committee membership has also been addressed to ensure a balanced distribution of power across committees so that no person has the ability to dominate decision-making and no undue reliance is placed on any one person.

The board is satisfied that each committee, as a whole, has the necessary knowledge, skills, experience and capacity to execute its duties effectively and with reasonable care and diligence. Each committee has a minimum of three members. While site visits were again limited due to the impact of the Covid-19 pandemic, virtual committee training took place to enhance director skills and development. Members of executive and senior management are invited to attend committee meetings as deemed appropriate and necessary for the effective functioning of the committee.

In FY21, the majority of members of all board committees remained independent non-executive directors. All board committees were chaired by an independent non-executive director, except for the technical committee, chaired by André Wilkens, and the investment committee, chaired by Modise Motloba, both non-independent and non-executive directors. The board remains confident that their leadership as chairs of the technical and investment committees respectively is in the best interests of the company, based on their extensive knowledge of the specific areas of responsibilities of those committees.

Committee meetings

Any director who is not a member of a specific committee is entitled to attend meetings as an observer, but not entitled to participate without the consent of the committee chairperson. Such directors have no vote in meetings and will not be entitled to fees for attendance, unless specifically agreed by the board and provided for in the board fee structure as approved by shareholders. As part of the board induction process, Mr Peter Turner was invited to attend various committee meetings to further acclimate him to the Harmony board.

The board considers recommendations from its committees in matters requiring its approval, but remains responsible for applying its collective mind to the information, opinions, recommendations, reports and statements presented by the committees.

📄 The meeting attendance of each committee member is included under **Board and committee attendance** on page 116.

Audit and risk committee

Member	Committee tenure
Fikile De Buck (chairperson)*	15 years
John Wetton	10 years
Karabo Nondumo	8 years
Dr Simo Lushaba	19 years
Given Sibiyi	2 years

* Appointed as chairperson on 10 May 2018.

Primary functions

- Monitors operation of an adequate system of internal control and control processes
- Monitors preparation of accurate financial reporting and statements in compliance with all applicable legal and corporate governance requirements and accounting standards
- Monitors risk management, ensures significant risks identified are appropriately addressed and supports the board in overall governance of risk.

Key activities and actions in FY21

📶 For detail on actions in FY21, refer to the **Audit and risk committee: chairperson's report** in the **Report to shareholders 2021**.

Social and ethics committee

Member	Committee tenure
Dr Simo Lushaba (chairperson)*	3 years
Modise Motloba	16 years
John Wetton	10 years
Dr Mavuso Msimang	10 years
Joaquim Chissano	15 years
Fikile De Buck	15 years
Max Sisulu**	2 years

* Appointed as chairperson on 10 May 2018.

** Resigned as member and director on 30 September 2020.

BOARD COMMITTEES continued

Primary functions

- Oversees policy and strategies on occupational health and employee wellbeing, environmental management, corporate social responsibility, human resources, public safety and ethics management
- Monitors implementation of policies and strategies by executives and their management teams for each discipline noted above
- Assesses Harmony's compliance against relevant regulations
- Reviews material issues in each of the above disciplines to evaluate their relevance in the reporting period, and to identify additional material issues that warrant reporting, including sustainability-related key performance indicators and levels of assurance.

Key activities and actions in FY21

- Reviewed and recommended the social and ethics committee report to be included in the integrated annual report
- Reviewed and considered the social, economic, human capital, environmental, health and safety issues affecting the company's business and stakeholders
- Reviewed and considered the effect of the company's operations on the economic, social and environmental wellbeing of communities, as well as significant risks within the ambit of its responsibilities
- Considered its oversight role in terms of ESG and monitored ESG risks and opportunities
- Approved material elements of sustainability reporting and key performance indicators that were externally assured
- Considered and monitored the company's internal and external stakeholder relations
- Considered and approved Harmony's health and safety policy
- Considered and approved its employment equity policy
- Considered and approved the company's preferential procurement policy
- Considered and approved the group environmental policy
- Considered and approved its ethics management strategy and plan
- Considered the governance of ethics and ethical leadership
- Reviewed and recommended the group behavioural code and code of conduct to the board for approval
- Reviewed and recommended the committee's terms of reference to the board for approval
- Considered and reviewed the impact of Covid-19.

 See [Social and ethics committee: chairperson's report](#).

Remuneration committee


Member	Committee tenure
Vishnu Pillay (chairperson)*	4 years
Fikile De Buck	11 years
John Wetton	10 years
Dr Simo Lushaba	16 years
André Wilkens	14 years



* Appointed as chairperson on 11 May 2017.

Primary functions

- Ensures directors and executive management are fairly rewarded for their contribution to Harmony's performance
- Assists the board in monitoring, reviewing and approving Harmony's compensation policies and practices, and administration of its share incentive schemes
- Operates as an independent overseer of the group remuneration policy and makes recommendations to the board for final approval.

Key activities and actions in FY21

For detail on actions in FY21, refer to the [Remuneration committee: chairperson's report](#) in the [Report to shareholders 2021](#). 

- Reviewed benefits and remuneration principles for Harmony executive management
- Received and discussed a summary of the suite of Harmony executive management incentive schemes to obtain a holistic view
- Reviewed and recommended the committee's terms of reference to the board for approval
- Reviewed and recommended the company's incentive plan policy to the board for approval
- Reviewed the company's overall retention strategy and policy based on global trends on staff retention
- Considered and recommended the remuneration policy and implementation report to the board for inclusion in the notice of annual general meeting for consideration by shareholders as non-binding advisory resolutions (see [Remuneration report](#) in our [Report to shareholders](#)) 
- Reviewed executive directors and executive management's remuneration benchmarks and recommended their annual salary increases to the board for approval (see [Remuneration report](#) in our [Report to shareholders](#)) 
- Reviewed the annual salary increases of the company secretary and chief audit executive
- Reviewed non-executive director fees with the assistance of an independent service provider
- Considered and reviewed the impact of Covid-19 on the remuneration of employees
- Considered and recommended the company's total incentive plan balanced scorecard for FY22 for board approval.

Nomination committee

Member	Committee tenure
Dr Mavuso Msimang (chairperson)*	9 years
Dr Patrice Motsepe	18 years
Modise Motloba	11 years
Fikile De Buck	11 years
Vishnu Pillay	2 year

* Appointed as chairperson on 10 May 2018.

Primary functions

- Ensures procedures governing board appointments are formal and transparent
- Makes recommendations to the board on all new board appointments
- Reviews succession planning for directors and other members of the executive team and oversees the board's self-assessment process.

Key activities and actions in FY21

- Reviewed succession planning for directors and other members of the executive team and oversaw the board's self-assessment process
- Reviewed and recommended for re-election directors who retire by rotation in terms of the company's memorandum of incorporation
- Reviewed and made recommendations on the composition, structure and size of the board and its committees, in line with the board's policy on gender and race diversity
- Considered the positions of the chairman and deputy chairperson of the board and lead independent director and made recommendations to the board
- Reviewed and recommended the independence of non-executive directors (especially independent non-executives serving on the board for longer than nine years)
- Reviewed and recommended immediate and long-term succession plans for the board, chairman of the board, chief executive officer, executive management and the group company secretary
- Considered the programme in place for the professional development of directors and regular briefings on legal and corporate governance developments, risks and changes in the external operating environment of the organisation
- Considered and applied the policy on the promotion of broader diversity at board level, specifically focusing on the promotion attributes of gender, race, culture, age, field of knowledge, skills and experience on the appointment of Peter Turner whose extensive experience will make a significant contribution to the technical expertise required for the safety initiatives, development and growth of the company.

Investment committee

Member	Committee tenure
Modise Motloba (chairperson)*	3 years
Dr Simo Lushaba	17 years
John Wetton	10 years
Karabo Nondumo	8 years
Ken Dicks**	12 years
Vishnu Pillay	8 years
André Wilkens	14 years
Grathel Motau***	1 year
Joaquim Chissano	2 years
Peter Turner^	<1 year

* Appointed as chairperson on 10 May 2018.
 ** Resigned as member and director on 30 September 2020.
 *** Resigned as member and director on 18 December 2020.
 ^ Appointed as member on 7 May 2021.

Primary functions

- Considers projects, acquisitions and disposals in line with Harmony's strategy and ensures due diligence procedures are followed
- Conducts other investment-related functions designated by the board.

Key activities and actions in FY21

- Considered investments, proposals, projects and proposed acquisitions in line with the board's approved strategy and delegation of authority as well as the committee's terms of reference
- Considered the company's exploration expenditure
- Reviewed and recommended the budget and business plans for FY22
- Reviewed and recommended the committee's terms of reference to the board for approval
- Considered and reviewed the impact of Covid-19
- Post-investment monitoring of recent acquisitions (Mponeng and Mine Waste Solutions).

Technical committee

Member	Committee tenure
André Wilkens (chairperson)*	13 years
Ken Dicks**	12 years
Karabo Nondumo	6 years
Vishnu Pillay	8 years
Modise Motloba	2 years
Peter Turner^	<1 year

* Appointed as chairperson on 22 January 2008.
 ** Resigned as member and director on 30 September 2020.
 ^ Appointed as member on 19 February 2021.

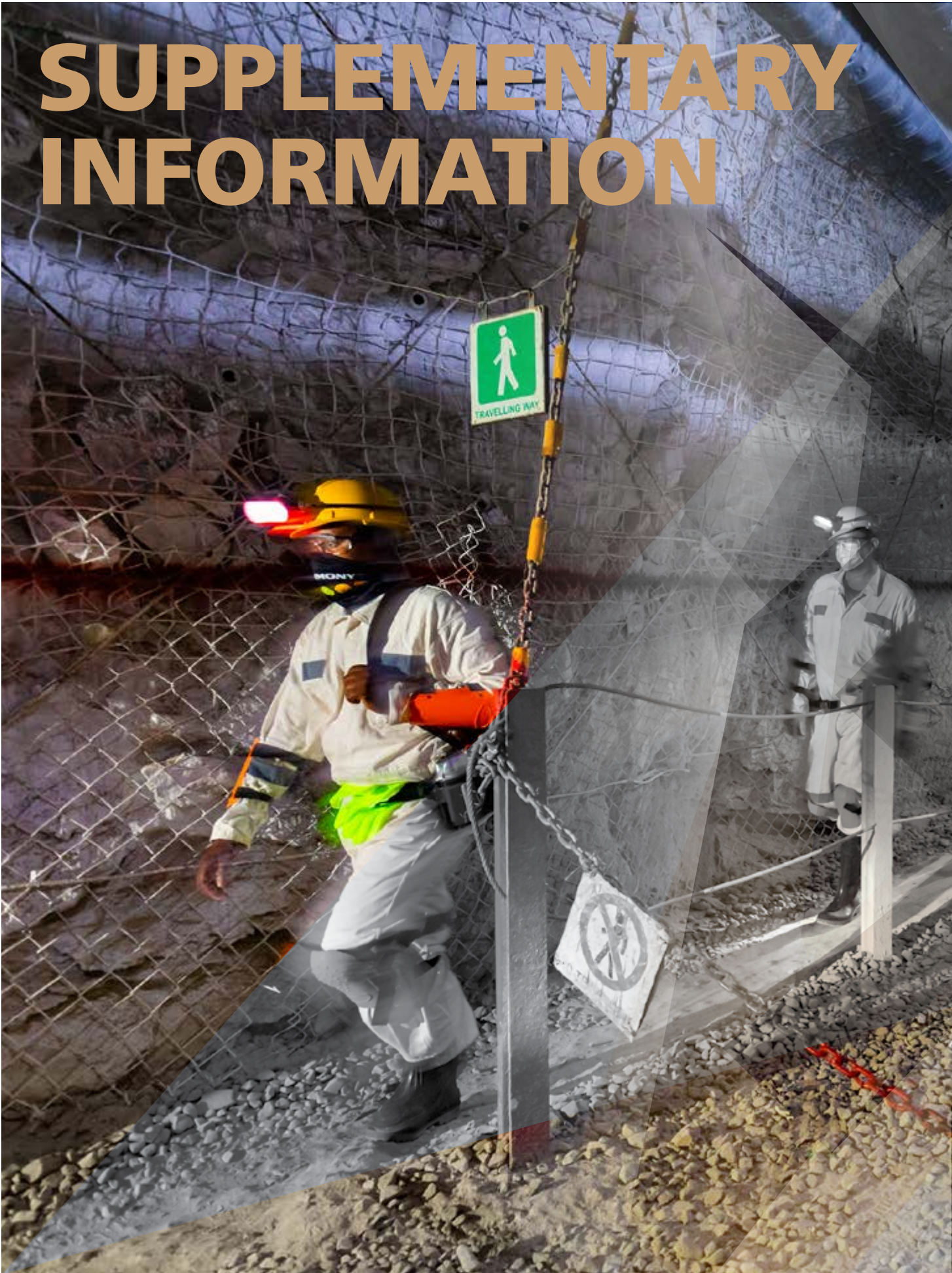
Primary functions

- Provides a platform to discuss strategy, performance against targets, operational results, projects and safety
- Informs the board of key developments, progress against objectives and challenges facing operations
- Reviews strategic plans before recommending to the board for approval
- Provides technical guidance and support to management.

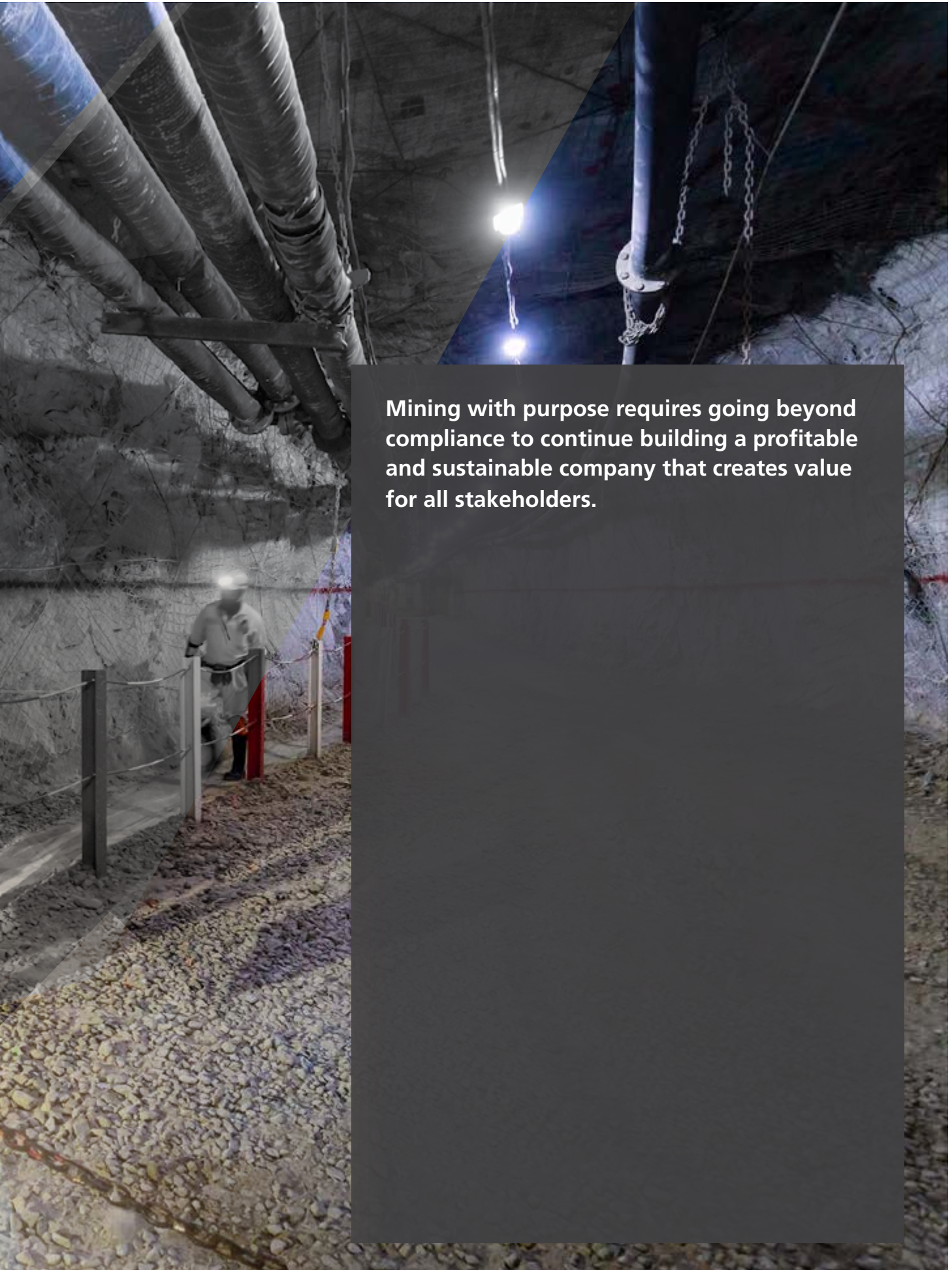
Key activities and actions in FY21

- Monitored safety across all operations
- Monitored exploration and ore reserves in South Africa and Papua New Guinea
- Monitored all South African and Papua New Guinean operations
- Considered and approved the company's health and safety policy
- Evaluated and considered Harmony's risks, and measures taken to mitigate those risks
- Reviewed and recommended to the board the company's annual budget and business plans for FY22
- Considered investments, proposals, projects and proposed acquisitions from a technical viewpoint
- Reviewed and recommended the committee's terms of reference to the board for approval
- Considered and reviewed the impact of Covid-19.

SUPPLEMENTARY INFORMATION



Safety walkway at Mponeng operations.



Mining with purpose requires going beyond compliance to continue building a profitable and sustainable company that creates value for all stakeholders.

ESG DATA TABLES

For convenience, this section consolidates all data tables used elsewhere in this report.

Environment

	FY21	FY20	FY19	FY18	FY17
Expenditure – environmental management (Rm)					
South Africa	247	126	169	157	134
Papua New Guinea	34	32	30	24	21
Group	281	159	199	181	155
Environmental incidents					
South Africa	6	1	2	3	7
Papua New Guinea	0	0	2	0	1
Group	6	1	4	3	8
Land rehabilitation liabilities (Rm)					
South Africa	5 559	3 038	2 884	2 919	2 180
Papua New Guinea	1 306	1 378	1 039	1 336	1 391
Group	6 865	4 416	3 923	4 255	3 571
Electricity consumption (000MWh)					
South Africa (FY21 ⁴)	4 020	3 051	3 209	2 458	2 538
Papua New Guinea	103	120	131 ²	90 ³	90
Group	4 123	3 171	3 340 ¹	2 548	2 628
Electricity consumption intensity (MWh/t treated)	0.08	0.12	0.12	0.11	0.14

¹ Increase in energy consumption driven by acquisition of Moab Khotsong.

² Includes Papua New Guinea diesel consumption used to produce electricity (13 900MWh).

³ Although full-year production included, the plant stood idle during planned shutdown.

⁴ Acquisition of Mponeng and related assets.

	FY21	FY20	FY19	FY18	FY17
Energy consumption (000GJ)					
Electricity					
South Africa	14 472	10 985	11 554 ³	8 850	9 137
Papua New Guinea	372	431	422	214	189
Group	14 844	11 416	11 976	9 064	9 326
Diesel¹					
South Africa	449	351	416	332	351
Papua New Guinea	1 165	1 312	1 342	1 416	1 125
Group	1 614	1 662	1 758	1 748	1 477
Other sources (petrol¹ and heating oil²)					
South Africa	214.97	16.32	16.88	12.50	11.61
Papua New Guinea	0.01	0.04	0.08	0.05	0.04
Group	215	16	17	13	12
Total group (PJ)	16 673	13 095	13 751 ³	10 825	10 814

¹ Annual DEFRA conversion factors used for Papua New Guinea and Technical guidelines for Monitoring, Reporting and Verification of GHG emissions by Industry for SA.

² Heating oil reported from FY 2021.

³ Acquisition of Mponeng and related assets.

	FY21	FY20	FY19	FY18	FY17
Energy consumption (000MWh)					
Electricity					
South Africa	4 020	3 051	3 209 ³	2 458	2 538
Papua New Guinea	103	120	131	90	90
Group	4 123	3 171	3 340	2 548	2 628
Diesel¹					
South Africa	125	97	116	92	98
Papua New Guinea	324	364	373	393	313
Group	448	462	488	486	410
Other sources (Petrol¹ and heating oil²)					
South Africa	59.71	4.53	4.69	3.47	3.23
Papua New Guinea	0.004	0.011	0.022	0.013	0.011
Group	59.72	4.54	4.71	3.48	3.24
Total Group (000MWh)	4 631	3 637	3 820 ³	3 007	3 004
Energy consumption intensity (MWh/t treated)	0.09	0.14	0.15	0.13	0.15

¹ Annual DEFRA conversion factors used for PNG and technical guidelines for monitoring, reporting and verification of GHG emissions by industry for South Africa.

² Heating oil reported from FY21.

³ Acquisition of Mponeng and related assets.

Group carbon emissions (CO ₂ e tonnes)	FY21	FY20	FY19	FY18	FY17
Scope 1 breakdown by source					
Diesel	118 710	122 683	129 675	128 505	108 306
Explosives	2 731	2 412	2 294	2 135	1 953
Petrol	1 312	1 108	1 143	844	784
Heating oil	13 376	0	0	0	0
Total	136 129	126 203	133 112	131 484	111 043
% breakdown					
Diesel	87	97	97	98	98
Explosives	2	2	2	2	2
Petrol	1	1	1	1	1
Heating oil	10	0	0	0	0
Total	100	100	100	100	100
Total emissions – scope 1, 2 and 3 (CO₂e tonnes)					
Scope 1	136 129	126 203	133 112	131 484	111 043
Scope 2	4 251 053	3 315 672	3 192 750*	2 442 256	2 512 565
Scope 3	748 016	570 235	532 704	439 551	445 033
Total	5 135 198	4 012 110	3 858 566	3 013 291	3 068 641
% breakdown					
Scope 1	3	3	3	4	4
Scope 2	83	83	83*	81	82
Scope 3	15	14	14	15	14
Total	100	100	100	100	100

* Inclusion of Moab Khotsong for the full year – presents opportunities for operating efficiencies.

Group carbon emissions intensity (CO ₂ e tonnes/tonne treated)	FY21	FY20	FY19	FY18	FY17
Scope 1 intensity by source					
Diesel	0.0024	0.005	0.005	0.0057	0.0055
Explosives	0.0001	0.0001	0.0001	0.0001	0.0001
Petrol	0.00003	0.00004	0.00004	0.00004	0.00004
Heating oil	0.0003	n/a	n/a	n/a	n/a
Total scope 1, 2 and 3 emissions					
Scope 1	0.0030	0.0050	0.0051	0.0061	0.0057
Scope 2	0.0860	0.1304	0.1229*	0.1090	0.1295
Scope 3	0.0150	0.0224	0.0205	0.0196	0.0229
Total	0.1040	0.1578	0.1485	0.1347	0.1581

* Inclusion of Moab Khotsong for the full year – presents opportunities for operating efficiencies.

Emissions	FY21	FY20	FY19	FY18	FY17
Oxides of nitrogen (NOx)	46.19	13.20	7.58	4.12	2.44
Particular matter (TSP)	1.48	5.16	5.93	20.42	5.16
Sulphur dioxide (SO ₂)	0.00	0.31	0.31	0.38	0.00
Grand total	47.67	18.67	13.82	24.92	7.59

ESG DATA TABLES continued

Water use (000m³)	FY21	FY20	FY19	FY18	FY17
Water used for primary activities	30 306	19 692	23 158 ¹	15 473	18 125
Potable water from external sources	19 468	14 576	15 933	12 646	12 468
Non-potable water from external sources	10 838	5 117	7 225	2 827	5 638 ²
Surface water used	2 784	2 688	4 050	2 032	4 863
Groundwater used	8 054	2 429	3 175	795	775
Water recycled in process	83 392	60 325	48 512	40 435	41 112
Water discharge to surface sources ³	2 780	3 085	2 399	2 651	1 953
Water used	27 526	16 607	20 904	12 973	16 317
Water consumption intensity (000m ³ /t treated)	0.62	0.77	0.89	0.69	0.93

¹ Increase due to inclusion of Moab Khotsong.

² Increase reflects non-potable water consumption due to impact of drought on Free State operations.

³ Due to unexpected operational issues and maintenance at Doornkop's reverse osmosis plant, water was discharged into the Klip River. A meter is being installed to measure and track the discharge in these cases.

Materials used	FY21	FY20	FY19	FY18	FY17
Rock mined: ore and waste (000t)	60 120	43 052	47 095	43 578	33 150
Tonnes treated (000t)	49 253	25 429	25 980	22 441	19 402
Waste rock recycled (000t)	10 405	6 383	6 575	3 690	4 668
Slimes recycled (000t)	29 568	10 247	9 992	9 772	6 559
Liquefied petroleum gas (t)	1	1	1	1	0.5
Grease (t)	552	424	426	121	384
Cyanide (000t)	28	23	23.2	23.3	21
Petrol and diesel (000l)	44 732	46 137	48 742	48 461	40 811
Lubricating and hydraulic oil (000l)	2 693	2 456	3 163	2 744	2 768

Waste generated	FY21	FY20	FY19	FY18	FY17
Oils and grease					
Grease used (t)	552	424	426	121	384
Lubricating and hydraulic oil used (Ml)	3	2.5	3.2	2.7	2.8
Recycled oil – repurposing hydrocarbons to landfill (000l)	527	813	978	na	na
Hazardous waste					
Tailings (Mt)	47	24	24	21	20
Waste rock deposited (Mt)	24	28	29	29	19
Hazardous waste to landfill (tonnes)	524	250	399	344	275
Other waste (recycled, tonnes)					
Waste rock recycled (Mt)	10 405	6 383	6 575	3 690	4 668
Timber	3 121	1 868	2 377	1 085	1 504
Steel	8 739	5 863	7 765	5 699	6 944
Plastic	625	509	479	314	459
Certification and compliance					
Gold plants certified under Cyanide Code	6	6	7	6	6
% certified vs total gold plants	46	67	70	67	67
Operations with ISO certification	11	9	8	7	7
% with ISO certification	78	100	89	88	88

Cyanide management

Operation/plant	Cyanide-related incidents: Site level (no. incidents)	Release off-site requires response or remediation	Adverse effects on human health	Adverse effects to the environment	Required reporting under applicable regulations/code	Exceedances of applicable limits of Cyanide Code	Confirm if plant has ICMC certification (Yes or 0)	Comments
Hidden Valley (Papua New Guinea)	4	0	0	0	0	Four incidents relate to breach of internal WAD cyanide management code Criteria of ≤ 0.5 mg/L.	0	CN-related incidents reflect those captured in Integrum. Provided by J. Watt. Excludes low-level internal trigger warning level type alerts
Kusasaletu plant	0	0	0	0	Cyanide code	0	Yes	
Doornkop plant	0	0	0	0	0	0	Yes	
Kalgold plant	0	0	0	0	0	0	0	
Noligwa Gold plant	0	0	0	0	Cyanide code	0	Yes	
Chemwes Mine Waste Solutions	0	0	0	0	0	0	0	
Koponang plant	0	0	0	0	0		Yes	
Mponeng Gold plant	0	0	0	0	0	0		
Savuka Gold Plant	0	0	0	0	0	0	0	
Target plant	0	0	0	0	0	Yes, the exceedances were investigated, causes identified and corrective action implemented, resulting in restoration in WAD CN compliance levels.	Yes	
Central plant	0	0	0	0	0	Yes, the exceedances are noted and corrective actions are being investigated for restoration in WAD CN compliance levels.	Yes	
Saaiplaas plant	0	0	0	0	0	0	0	
Harmony One plant	0	0	0	0	0	Yes, the exceedances were investigated, causes identified and corrective action implemented, resulting in restoration in WAD CN compliance levels.	Yes	
Joel Plant (care and maintenance)	0	0	0	0	0	0	0	
Total	4							

ESG DATA TABLES continued

Incident management

Incident 1:

Internal laboratory Water Quality WAD CN breach notification was raised for exceeding limit at the point of discharge. Reading 0.75mg/L WAD CN breaching internal WAD cyanide management code Criteria of ≤ 0.5 mg/L.

Immediate action taken*

1. Stopped CAROS immediately.
2. Reviewed all CAROS circuit parameters.
3. Drained off all sludge at the buffer tank to TSF.
4. Start-up CAROS at lower flow-rates while monitoring of WAD CN at the discharge.
5. Diverted final tailing discharge from Saddle dam to Main dam.

Incident 2:

Incident Description* Environmental internal control sample WAD CN concentration at CDP discharge (D10) or Pihema creek was 1.0mg/L which was twice the internal discharge criteria of 0.5mg/L WAD CN.

Immediate action taken*

1. Shut Caros circuit and recycled to TSF.
2. Review all Caros circuit operating parameters.

Incident 3:

Breach compliance of discharging higher than 50ppm WAD cyanide from the processing facility to TSF (Tailings Storage Facility) at the point of discharge.

Immediate action taken*

1. INCO reagents (Copper Sulphate and SMBS) dosages have been increased to the maximum range to enable catalysis of the detoxification reaction.
2. Deficient in oxygen dosages due to 210t/d PSA plant #2 delivering on $\sim 260\text{sm}^3/\text{hr}$. 45% less its designed capacity.
3. PSA plant #01 under maintenance – compressor #11 repair escalated.

Incident 4:

INCO detox WAD cyanide discharge was over 100ppm WAD CN for three consecutive assay readings which is over the 50ppm compliance limit.

Immediate action taken*

1. Report.
2. Reduce flow rate by diverting Float tails to tailings hopper.

Employees

Safety and health

Safety	FY21	FY20	FY19	FY18	FY17
Fatalities					
Group	11	6	11	13	5
South Africa	11	6	11	13	5
Papua New Guinea	0	0	0	0	0
Fatal-injury frequency rate (per 1 million hours worked)					
Group	0.11	0.08	0.12	0.16	0.07
Lost-time injury frequency rate (per 1 million hours worked)					
Group	6.18	6.33	6.16	6.26	7.21
South Africa	6.46	6.69	6.48	6.67	7.61
Papua New Guinea	0	0.77	0.35	0	0.41

Health – South Africa	FY21	FY20	FY19	FY18	FY17
Absenteeism (total)	9.9	6.2	7.7	7.4	7.4
Health-related absenteeism (%)	8	6.2	7.7	7.4	7.4
Covid-19 impact	1.9				
Tuberculosis					
TB screening of employees and contractors	44 301	34 815	37 666	29 955	30 113
% of workforce	98	93	99	97	97
TB incidence rate (per 100 000 employees tested)	483	680	841	1 063	1 366
HIV/Aids					
Employees identified as HIV-positive	10 593	9 125	8 947	8 108	7 816
Employees receiving antiretroviral therapy	9 328	7 980	8 024	6 938	6 430
Employees knowing their HIV status (including contractors) (%)	76	83	82	82	78
Employees receiving antiretroviral therapy (medically uninsured, excluding contractors) (%)	86	85	88	80	78
Employees receiving antiretroviral therapy will have viral suppression (medically uninsured) (%)	78	71	73	71	70
Chronic diseases					
Employees with a chronic condition*	21 612	19 294	18 924	16 247	15 216
Proportion of SA workforce (%)	61	61	61	59	55
Diabetes (%)	10	10	9	6	6
Hypertension (%)	32	33	34	34	33
HIV/Aids** (%)	49	47	47	50	52
Occupational health – South Africa					
Heat					
Heat tolerance tests conducted	15 364	17 654	22 157	20 797	15 354
Heat-related cases reported	126	78	88	47	53
Noise					
Early noise-induced hearing loss cases	217	230	272	446	518
Cases compensated	71	80	62	116	90
Employees with personalised hearing devices (%)	97.1	99.3	99.5	99.0	99.0
Contractor employees with personalised hearing devices (%)	74	88.4	85.7	84.0	76.0
Silicosis					
Cases submitted	141	164	204	211	220
Cases certified	54	67	58	179	108
* Employees with more than one chronic disease are counted in each condition.					
** From 2016, includes all HIV-positive people, not just those on treatment.					
Health – Papua New Guinea	FY21	FY20	FY19	FY18	FY17
Health examinations conducted	11 489	20 452	17 601	15 198	13 133
Employees treated for respiratory ailments	707	1 905	2 191	2 581	2 427

ESG DATA TABLES continued

Employees

	FY21	FY20	FY19	FY18	FY17
Employee complement					
Harmony – total	48 113	39 714	39 773	40 686	33 201
Permanent	38 459	33 091	32 876	33 917	27 778
Contractors	9 654	6 623	6 897	6 769	5 423
South Africa – total	45 734	37 343	37 360	38 471	30 990
Permanent	36 860	31 502	31 201	32 520	26 478
Contractors	8 874	5 841	6 159	5 951	4 512
Papua New Guinea – total	2 314	2 182	2 413	2 215	2 211
Permanent	1 536	1 434	1 675	1 397	1 300
Contractors	778	748	738	818	911
Australia – total	65	57	0	0	0
Permanent	63	54	0	0	0
Contractors	2	3	0	0	0
Training and development					
People trained	49 346	31 533			
South Africa	34 744	29 963	29 345	30 395	31 019
Papua New Guinea	14 596	1 570			
Australia	6	0			
Hours of training – total					
South Africa	2 071 384	1 780 056	1 920 016	1 768 360	1 975 496
Average training hours per employee	60	59	65	58	64
Expenditure on training (Rm)					
South Africa	468	458	484	418	409
Papua New Guinea	20	24	0	0	0
Australia	0.09	0	0	0	0
Employees drawn from local communities (%)					
South Africa	78	76	79	75	76
Australia					
Papua New Guinea	97	96	96	96	95
Senior management drawn from local communities (%)					
South Africa	98	98	100	97	96
Papua New Guinea	1.3	0	0	0	0
Gender diversity					
South Africa					
% of workforce who are women	18	17	17	16	16
% of women in management	20	19	19	17	17
Australia					
% of workforce who are women		37	14	12	12
% of women in management		0.7			
Papua New Guinea					
% of workforce who are women	14	14			
% of women in management	0.1	5			
Employees covered by collective bargaining (%)					
South Africa	36 003	30 829	30 514	31 828	25 882
Papua New Guinea	0	0	0	0	0
Australia	0	0	0	0	0
South Africa only					
Employment equity					
Historically disadvantaged persons/South Africans in management (%)	65	64	62	60	61
Number attending critical skills training	83	81	109	106	75
Housing and accommodation					
Employees living in single rooms	8 547	8 008	8 019	6 739	7 266

	HDP	Female HDP
Board	67%	27%
Executive management	47%	24%
Senior management	55%	27%
Middle management	54%	25%
Junior management	66%	18%
Core and critical skills		71%
People with disabilities		0.3%

Communities

	FY21	FY20	FY19	FY18	FY17
Mine community development (Rm)	64	76	0	0	–
South Africa	60	65	43	20	23
Free State	35	116	19	13	20
Infrastructure (roads)	16.6	24	2	0	0.8
SMME development	5.65	10	4	2	5
Sport and recreation/youth development	7	7	7	7	9
Education infrastructure (schools)	2.2	2	1	0.2	0.7
Education/youth development	0.01	3	5	4	5
Business development (LED strategy)	0	0.2	0.5	0	0
Agriculture	3.4	3	0	0	0
Gauteng (West Rand)	14.7	8	12	4	3
Infrastructure	0	0	0	0	0
SMME development	10.7	5	1	2	3
Sport and recreation/youth development	0	0	2	1	0
Education infrastructure (schools)	0	0	0.9	0.3	0
Education/youth development	0	0	0	0	0
Business development (Fochville)	0	1	0.4	0	0
Agriculture	4	2	8	0	0
North West	10.8	8	11	2	0.5
Infrastructure	0		0.4		
SMME development (Lepharo)	3.6	5	3	2	0.5
Sport and recreation/youth development	0	0	0	0	0
Education infrastructure (schools)	1.9	0	0	0	0
Education/youth development	0	0	0.9	0	0
Business development	0	0	0	0	0
Agriculture	5.3	3	7	0	0
Papua New Guinea					
Community projects	4.4	11	12.7	1.7	0.5

ESG DATA TABLES continued

	FY21	FY20	FY19	FY18	FY17
Corporate social investment – total (Rm)	6.8	7	32	17	14
Free State		0.2	1	1	1
Gauteng	1.8	0.9	0.5	0.7	0.8
North West	0.98	0.4	0.1	0.7	0.7
Labour-sending area		0.08	0.3	–	–
Enactus	2.5	3	3	2	3
METF	0	3	2	2	2
SAASTA	1.5		2	2	15
Phakamani	0	–	–	8	5
Global citizen	0	–	15	–	–
CEO Special bursaries					
Cyclone relief	0	–	10	–	–
PNG					
Procurement (Rbn)					
South Africa					
Total procurement spent	19.2	14.2	12	9.4	8.3
Total discretionary spend	10.7	7.6	8.4	6.4	5.6
Preferential procurement (black-owned and BEE compliant spend)	7.9	5.6	6.3	5.1	4.4
spend on >50% BO	5.1	3.3	2.7	1.9	1.6
spend on 100% BO	0.8	0.6	0.4	0.3	0.2
Papua New Guinea (Rm)					
Total spend	3 890	3 900	3 590	2 980	2 700
Spend in country	2 316	2 470	2 200	1 600	1 000
Spend in Morobe Province	489	697	1 100	1 100	725
Impact on communities					
% of operations impacting local communities	100	100	100	100	100
% of operations with local community engagement programmes in place	90	100	100	100	100
Community complaints procedure/hotline in place (South Africa and Papua New Guinea)	Yes	100	100	100	100
Security					
Harmony personnel impacted in line of duty	0	0	0	0	0
Fatalities	0	0	0	0	1
Injuries	1	0	0	0	0
Community members impacted by security interventions	0	0	0	0	0
Fatalities	0	0	0	0	0
Injuries	0	0	0	0	0

Governance

	FY21	FY20	FY19	FY18	FY17
Board of directors					
Number of members	15	18	17	15	15
Independent non-executives (%)	60	61	64	67	64
Non-executives (%)	20	78	82	80	78
Executive directors (%)	20	22	18	20	22
Independent board chairman	no	no	no	no	no
Lead independent director	yes	yes	yes	yes	yes
Board demographics					
HDP (%)	67	61	65	67	57
Women (%)	27	28	24	13	14
% of independent members by committee					
Audit and risk committee	100	100	100	100	100
Nomination committee	60	60	60	80	80
Shareholdings					
Controlling shareholder	no	no	no	no	no
CEO – total beneficial shareholding	962 397	512 000	512 000	512 000	512 000
Financial director – total beneficial shareholding*	3 581	0	1 142 010	747 817	606 742
Executive director – total beneficial shareholding	3 319	0	593	593	593
Auditors – tenure (years)					
PwC	71	70	69	68	67
Ngubane & Co	3	2	1	0	0
Executive director remuneration					
Linked to ESG	yes	yes	yes	no	no
Proportion of remuneration linked to ESG performance (%)**	5	5	5	0	0
Ethics					
Ethics (ESG) training – number of employees		31 533			
Contribution to political parties (Rm)		0			
Anti-corruption and complaints hotline in place	yes	yes	yes	yes	yes
Payments to government (Rm)					
South Africa					
Taxation and royalties paid	1 221	248	164	424	722
Paid on behalf of employees	2 214	1 800	2 100	1 260	1 200
Papua New Guinea					
Taxation and royalties paid	127	94	84	5	57
Paid on behalf of employees	198	175	207	210	179

* Mr Frank Abbott resigned as financial director during March 2020 and Ms Boipelo Lekubo was appointed in his stead. The figures reflect the position of the Harmony financial directors' shareholding at 30 June.

** New scheme in place since FY19.

ASSURANCE REPORT

Independent Auditor's Assurance Report on Selected Key Performance Indicators

To the Directors of Harmony Gold Mining Company Limited

Report on Selected Key Performance Indicators

We have undertaken an assurance engagement on the selected key performance indicators (KPIs), as described below, and presented in the Integrated Report of Harmony Gold Mining Company Limited ("Harmony") for the year ended 30 June 2021 (the Report). This engagement was conducted by a multidisciplinary team including assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a reasonable assurance opinion on the KPIs listed in table (a) and a limited assurance conclusion on the KPIs listed in table (b) below. The selected KPIs described below have been prepared in accordance with Harmony's reporting criteria that accompanies the sustainability information on the relevant pages of the Report (the accompanying Harmony reporting criteria).

(a) Reasonable assurance on the following KPIs:

Selected sustainability KPIs	Unit of measure	Scope of coverage
Environmental		
Electricity purchased	MWh	Corporate
Total Scope 2 Carbon Emissions	Tonnes	
Social		
Preferential Procurement	R million	Corporate
Local Economic Development	R million	
Human Capital		
Employment Equity	Percentage (%)	Corporate (SA only)
Health and Safety		
Lost time injury frequency rate	Rate	SA and PNG

(b) Limited assurance on the following KPIs:

Selected sustainability KPIs	Unit of measure	Scope of coverage
Environmental		
Total Scope 1 Carbon Emissions	Tonnes	Corporate
Total Scope 3 Carbon Emissions	Tonnes	
Water used for primary activities	m ³	
Volumes of waste disposed	Tonnes	
Social		
Percentage of host community procurement spend	Percentage (%)	Corporate
Number of community grievances that are resolved	Number	
Corporate Social Investment (CSI) spend	R million	
Average number of employees in single or sharing Harmony accommodation	Number	
Human Capital		
Critical skills training	Number	Corporate (SA only)
Health and Safety		
Number of silicosis cases confirmed	Rate	Corporate (SA only)
Percentage of people on voluntary testing and treatment	Percentage (%)	SA and PNG
Percentage close out of A hazard fatal risk controls findings	Percentage (%)	
World Gold Council Responsible Gold Mining Principles		
World Gold Council Principles Gap Analysis	Qualitative self-assessment	Corporate

Directors' Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with the accompanying Harmony reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIs and for ensuring that those criteria are publicly available to the Report users.

Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practice on which to draw allows for the selection of certain different but acceptable measurement techniques which can result in materially different measurements and can impact comparability.

Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision thereof may change over time.

Where the information relies on the factors derived by independent third parties, our assurance work will not include examination of the derivation of those factors and other third-party information. It is important to understand our assurance conclusions in this context.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Ngubane & Co (Jhb) Inc. applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to express either a reasonable assurance opinion or limited assurance conclusion on the selected KPIs as set out in section (a) and (b) of the Subject Matter paragraph, based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board and the guidance set out in the *Assurance Framework for the Responsible Gold Mining Principles* and the *Guidance on implementing and assuring the RGMPs: supplement to the Assurance Framework*. That Standard requires that we plan and perform our engagement to obtain the appropriate level of assurance about whether the selected KPIs are free from material misstatement.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

(a) Reasonable assurance

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the measurement of the selected KPIs and related disclosures in the Report. The nature, timing and extent of procedures selected depend on the auditor's professional judgement, including the assessment of the risks of material misstatement of the selected KPIs, whether due to fraud or error.

In making those risk assessments we have considered internal control relevant to Harmony's preparation of the selected KPIs. A reasonable assurance engagement also includes:

- Evaluating the appropriateness of quantification methods, reporting policies and internal guidelines used and the reasonableness of estimates made by Harmony;
- Assessing the suitability in the circumstances of Harmony's use of the applicable reporting criteria as a basis for preparing the selected information; and
- Evaluating the overall presentation of the selected sustainability performance information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

ASSURANCE REPORT **continued**

(b) Limited assurance

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of Harmony's use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Accordingly, for the KPIs where limited assurance was obtained, we do not express a reasonable assurance opinion about whether Harmony's selected KPIs have been prepared, in all material respects, in accordance with the accompanying Harmony reporting criteria.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected KPIs;
- Performed a controls walkthrough of identified key controls;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the directors in the preparation of the selected KPIs;
- Evaluated whether the selected KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at Harmony; and
- Performed site visits to assess whether conditions at the sites are consistent with reported data.

Conclusions

(a) Reasonable assurance opinion

In our opinion and subject to the inherent limitations outlined elsewhere in this report, the selected KPIs set out in section (a) of the Subject Matter paragraph above for the year ended 30 June 2021 are prepared, in all material respects, in accordance with the accompanying Harmony reporting criteria.

(b) Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected KPIs as set out in section (b) of the Subject Matter paragraph above for the year ended 30 June 2021 are not prepared, in all material respects, in accordance with the accompanying Harmony reporting criteria.

Other Matters

Our report includes the provision of limited assurance on the self-assessment performed by Harmony to assess its conformance with the Responsible Gold Mining Principles. We were previously not required to provide assurance on this selected KPI.

The scope of our work has been limited to the aforementioned KPIs. Our conclusions above cover only these indicators and not all indicators presented, or any other information included in the Report.

The maintenance and integrity of the Harmony's website is the responsibility of Harmony management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of its presentation on Harmony website.

Restriction of Liability

Our work has been undertaken to enable us to express either a reasonable assurance opinion or a limited assurance conclusion on the selected KPIs to the Directors of Harmony in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Harmony, for our work, for this report, or for the conclusion we have reached.

Ngubane & Co (Jhb) Inc.

Suzan Dolamo

Chartered Accountant (SA)

Registered Auditor

Director

28 October 2021

KING IV CHECKLIST

King IV principle	FY21 ESG report – page numbers
Principle 1: The governing body should lead ethically and effectively	109
Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture	109
Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen	110
Principle 4: The governing body should appreciate that the organisation’s core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process	110
Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation’s performance, and its short, medium and long-term prospects	110
Principle 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation	110 to 112
Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively	108; 114 to 116
Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties	117 to 119
Principle 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness	115
Principle 10: The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities	115
Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives	111
Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives	111
Principle 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen	111
Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term	112 and 118
Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation’s external reports	112; 132 to 134
Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time	112
Principle 17: The governing body of an institutional investor organisation should ensure that responsible investment is practised by the organisation to promote the good governance and the creation of value by the companies in which it invests.	112; 48 to 103

MINING CHARTER III – COMPLIANCE SCORECARD

We discuss our performance against the mining charter throughout this report. The charter is focused on transformation of the South African mining industry as a whole by promoting equal access to and ownership, expanding business opportunities for historically disadvantaged persons (HDPs), redressing the imbalances of historical injustices and enhancing the social and economic welfare of employees and mine communities.

The mining charter is not a static document – it has been debated and revised a number of times, and is now in its third iteration (effective 2018 and known as Mining Charter III). Although the High Court has ruled on specific elements of this charter (refer CEO's report in integrated annual report), Harmony will continue to work towards full compliance because we believe this supports our social licence to operate.

The table summarises our performance against targets for each pillar for the calendar year to 31 December 2020 (the regulatory reporting period).

Mining Charter III scorecard for 2020 (January-December)

	Measure	Target	Progress	Score
1 REPORTING				
Has the company reported its level of compliance with the mining charter for the calendar year?	Report annually	Yes	Yes	✓
2 OWNERSHIP				
Minimum target for effective ownership by historically disadvantaged South Africans	Meaningful economic participation; full shareholder rights	26%	>30%	✓
3 EMPLOYMENT EQUITY				
Diversification of workplace to reflect the country's demographics and attain competitiveness	Representation of historically disadvantaged persons	Board: 50%	73%	✓
		Executive committee: 50%	50%	✓
		Senior management: 60%	56%	✗
		Middle management: 60%	54%	✗
		Junior management: 70%	66%	✗
		Core and critical skills: 60%	71%	✓
	Representation of women	Board: 20%	33%	✓
		Executive committee: 20%	25%	✓
		Senior management: 25%	27%	✓
		Middle management: 25%	26%	✓
	Junior management: 30%	19%	✗	
Employees with disabilities	1.5%	0.3%	✗	
4 HUMAN RESOURCE DEVELOPMENT				
Development of the requisite skills, particularly in exploration, mining, processing, technology efficiency, beneficiation and environmental conservation	Human resource development expenditure as percentage of total annual leviable amount (excluding mandatory skills development levy)	Invest 5% of leviable amount as defined in human resource development element in proportion to applicable demographics (employees and non-employees)	5%	✓
5 MINE COMMUNITY DEVELOPMENT*				
Meaningful contribution towards mine community development in keeping with the principles of the social licence to operate	Implementation of approved commitments in the social and labour plan	100%	94%	✗

* Mine community development is reported according to Harmony's financial year, as agreed with DMRE. This report covers mine community development for the period July 2020 to June 2021.

	Measure	Target	Progress	Score
6 PROCUREMENT AND ENTERPRISE DEVELOPMENT				
Total procurement budget spend on goods and services	Mining goods A minimum of 70% of total mining goods procurement spend must be spent on South Africa-manufactured goods sourced from BEE-compliant manufacturing companies. Excludes spend on utilities (electricity and water), fuels, lubricants and land rates	21% of total mining goods budget must be spent on South African-manufactured goods produced by 50% + 1 vote HDP-owned and controlled companies	49%	✓
		5% of total mining goods budget must be spent on South Africa-manufactured goods produced by 50% + 1 women and/youth-owned and controlled companies	6%	✓
		44% of total mining goods budget must be spent on South Africa-manufactured goods produced by at least level 4 BEE 25% + 1 compliant companies	27%	✗
	Services A minimum of 80% of total spend on services must be sourced from South Africa-based companies	65% of total services budget must be spent on South African companies that are 50% + 1 vote HDP-owned and controlled companies	48%	✗
		15% of total services budget must be spent on South African companies that are 50% + 1 vote women-owned and controlled companies	9%	✗
		5% of total services budget must be spent on South African companies that are 50% + 1 vote youth-owned and controlled	1%	✗
		10% of total services budget must be spent on South African companies that are at least at level 4 BEE + 25% + 1 compliant companies	15%	✓
	Research and development	A minimum of 70% of total research and development budget to be spent on South Africa-based entities	100%	✓
	Sample analysis	Use South Africa-based facilities or companies for analysis of 100% of all mineral samples across mining value chain	100%	✓
	7 HOUSING AND LIVING CONDITIONS			
	Improve standard of housing and living conditions of mine employees	Implement all commitments in the housing and living conditions standard	100%	✓

ESG GLOSSARY

Term	Definition
A\$	Australian dollar
ADRs	American depositary receipts
Ag	Silver
AMCU	Association of Mineworkers and Construction Union
Au	Gold
BEE	Black economic empowerment
BBBEE	Broad-based black economic empowerment
bn	Billion
By-products	Any products emanating from the core process of producing gold, including silver and uranium in South Africa and copper, silver and molybdenum in Papua New Guinea
Cash costs	Total cash costs include site costs for all mining, processing and administration, reduced by contributions from by-products and include royalties and production taxes. Depreciation, rehabilitation, corporate administration, retrenchment, capital and exploration costs are excluded. Total cash costs per ounce are attributable total cash costs divided by attributable ounces of gold produced
CDP	Carbon Disclosure Project: a not-for-profit entity that operates a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts, particularly in relation to climate change, water and forests
CEO	Chief executive officer
CO₂	Carbon dioxide: total emissions calculated as direct emissions generated from petrol and diesel consumption and indirect emissions generated from electricity consumption (expressed in tonnes)
CO₂e	Carbon dioxide equivalent: measurement of the impact of greenhouse gases in terms of the equivalent amount of carbon dioxide that would create global warming
COPA	Community of Practice for Adoption: a Mining Industry Occupational Safety and Health (MOSH) initiative that brings a group of volunteers together to solve challenges in implementing a Triggered Action Response Plan (TARP) as well as continuous performance improvements
Critical skills training	<p>The following disciplines are defined as core skills:</p> <ul style="list-style-type: none"> • Mining • Engineering • Ore Reserves • Metallurgy. <p>The critical skills within these disciplines are:</p> <ul style="list-style-type: none"> • Mining – general manager, mine manager and mining manager • Engineering – engineers and junior engineers • Ore Reserves – Ore Reserve management; head of department – geology survey and planning; section geologist/senior geologist; section surveyor/mine surveyor/senior shaft surveyor; section geostatistician/senior geostatistician (geological technician); section planner/senior planner; surveyors/geotechs • Metallurgy – plant manager and senior metallurgist.
Cu	Copper
Cyanide Code	International Cyanide Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold: aims to promote responsible management of cyanide used in gold mining, to protect human health and to reduce potential for environmental impacts
dB(A)	A-weighted decibel
Depletion	Decrease in quantity of ore in a deposit or property due to extraction or production
Development	Process of accessing an orebody through shafts or tunnelling in underground mining

Term	Definition
Discontinued operation	A component of an entity that has been disposed of or abandoned or classified as held for sale until conditions precedent to the sale have been fulfilled
EBITDA	Earnings before interest, tax, depreciation and amortisation
E-learning	Education using technology (computers, cell phones and the Internet)
Electricity purchased (kWh)	Electricity purchased from the supplier during the reporting period includes all electricity purchased by source (fossil fuel, nuclear, hydroelectric, wind and solar, among others, but excludes electricity generated by an operation as well as electricity supplied to third parties (such as mine hostels/accommodation where cost is recovered from employees, communities and businesses)
Employment equity	<p>Employment equity is reported as a number and percentage of the total number of historically disadvantaged South Africans employed per band. For historically disadvantaged South Africans we refer to black people (African and Indian males and females) and white women. White males and foreigners (including those naturalised after the Department of Trade and Industry code date on March 1994) are excluded.</p> <p>Employment equity is measured in the bands C, D, E and F where:</p> <ul style="list-style-type: none"> • Top management (F band) • Senior management (E band) • Professionally qualified and experienced specialists/middle management (D band) • Skilled technical and academic qualified/junior management/supervisors/foreman/superintendents (C band) • Core and critical (C-E management levels in core disciplines).
Energy consumption	Energy use calculated from electricity purchased and diesel and petrol consumed during the reporting period
Environmental incidents	Only category 3-5 environmental incidents are reported on in this integrated report. A level 3 incident may result in either mitigation costs of between R250 000 and R500 000 or serious medium-term environmental effects, breaches in legislation and serious adverse media attention. A level 4 incident has a mitigation cost of more than R1 million with the possibility of significant fines or prosecution. A level 5 incident carries mitigation costs exceeding R3 million and a very significant impact on highly valued species, habitat or ecosystem with potential for international condemnation and possible director liability
ESG	Environmental, social and governance
ESOP	Employee share ownership plan
FIFR	Fatal injury frequency rate: a work-related injury resulting in loss of life, calculated as actual fatal injuries x 1 million hours worked (calculation for hours throughout Harmony for consistency to assume every person works nine hours per shift: actual shifts worked x 9)
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
FTSE Russell	The FTSE and Russell indices joined to provide global benchmarking, analytics and data solutions needed for investment decisions
FY	Financial year
g	Gram
Gold produced	Refined gold derived from the mining process, measured in ounces or kilograms in saleable form
Grade	Quantity of gold contained in a unit weight of gold-bearing material, generally expressed in ounces per short tonne of ore (oz/t) or gram per metric tonne (g/t)
GRI	Global Reporting Initiative
GSSA	Geological Society of South Africa
GWh	Gigawatt hour
ha	Hectare

ESG GLOSSARY *continued*

Term	Definition
HDPs	Historically disadvantaged persons: This refers to South African-born black people (African and Indian males and females) and white women. White males and foreigners (including those naturalised after the Department of Trade and Industry code date on March 1994) are excluded
HIV/Aids	Human immunodeficiency virus/Acquired immune deficiency syndrome
Housing and living conditions	<p>(a) Conversion of operational hostels from sharing to single occupancy rooms: The number of employees who share a room in Harmony's company accommodation at active mining operations, and the number of employees who have single rooms in Harmony's company accommodation at active mining operations is calculated by comparing the total physical hostel design capacity (room numbers) versus the total number of hostel occupants. This gives the total average occupancy rate per hostel – an average of greater than one person for an active mining operation confirms that the occupant is sharing accommodation</p> <p>(b) Conversion of non-operational hostels from single-sex units to family units known as community rental units (CRU): The number of family units is determined by the architectural design of the new structure, designed to create community rental units for both Harmony employees and members of the public</p> <p>(c) Promoting home ownership: Company houses are sold to individual employees at special prices and other housing development initiatives are promoted or facilitated by Harmony</p>
Hz	Hertz, being the measurement of the frequency of sound waves
ICMM	International Council on Mining and Metals
Indicated Mineral Resource	Part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information using appropriate techniques from outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but close enough for continuity to be assumed
Inferred Mineral Resource	Part of a Mineral Resource for which tonnage, grade resource and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from outcrops, trenches, pits, workings and drill holes that may be limited or of uncertain quality and reliability
Interest cover	Earnings before interest and tax divided by finance costs and unwinding of obligations
ISO	International Organisation for Standardisation
ISO 14001	International Organisation for Standardisation's environmental management system specification
ISO 27001	International Organisation for Standardisation's family of standards to help keep information assets secure
ISO 45001	International Organisation for Standardisation's standard for occupational health and safety management systems
ISO 9000	International Organisation for Standardisation's family of standards for quality management systems
JORC	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
JSE	Johannesburg Stock Exchange
kg	Kilogram
King IV	King Report on Governance for South African, published in 2016
Km²	Square kilometre
KPIs	Key performance indicators
Ku-Riha	Project Ku-Riha (Tsonga for compensation), launched by government in May 2015, is being rolled out by the Department of Health to improve compensation for mineworkers who have occupational lung disease and to ensure that valid claims are paid speedily and efficiently

Term	Definition
Land disturbed and land available for rehabilitation	Total land footprint disturbed less the land footprint used for ongoing or future mining activities where the footprint of disturbed area includes all buildings, roads and mining area that needs to be rehabilitated according to the Environmental Management Programme Report (EMPR); the area rehabilitated meets the required standard of the EMPR, final land use plans and only maintenance and monitoring is needed; and the land available for rehabilitation is the area used for ongoing or future mining activities
LED spend/ community spend (in South African rand)	Local economic development project spend linked to the licence of each mine categorised in terms of: <ul style="list-style-type: none"> • Bursary students • Bursary graduates • Training bridging school • Training mining • Training engineering • Costs related to: <ul style="list-style-type: none"> – Mine community projects – Labour-sending area, projects in community not for mine employees – Conversion of hostel into family units • Procurement spend related to: <ul style="list-style-type: none"> – Contractor compliance – Black economic empowerment (BEE) procurement • Corporate social responsibility.
Live longer	Harmony's safety campaign – implemented as part of its comprehensive integrated safety risk management system and developed in terms of an exercise to benchmark best practice in the industry and an external audit of the company's safety performance and practice (a risk-based approach to safeguarding lives and saving mines, encompassing safety, health, the environment, communities and social risks, legal and regulatory risks, among others)
LTIFR	Lost-time injury frequency rate: a lost-time injury is a work-related injury that calls for medication, treatment, medical checks, reviews and subsequent days off work when injured employees cannot perform their assigned duties on the next scheduled work day or shift – calculated as actual lost-time injuries x 1 000 000/hours worked (calculation for hours throughout Harmony for consistency to assume every person works nine hours: actual shifts worked x 9)
m³	Cubic metre
M/m	Million or metre
Masoyise iTB	Launched by the government departments of Health and Mineral Resources, the four primary mining unions – Association of Mineworkers and Construction Union (AMCU), the National Union of Mineworkers (NUM), Solidarity and UASA – as well as the Minerals Council South Africa (then the Chamber of Mines) in December 2015 as a major tuberculosis (TB) screening campaign within South Africa's mining sector
Measured Mineral Resource	Part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from outcrops, trenches, pits, workings and drill holes. Locations are spaced closely enough to confirm geological and grade continuity
MHSC	Mine Health and Safety Council
Mine call factor	The ratio, expressed as a percentage, of the total quantity of recovered and unrecovered mineral product after processing with the amount estimated in the ore based on sampling
Mineral Reserve	The economically mineable material derived from a measured and/or indicated Mineral Resource. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a prefeasibility study for a project, and a life-of-mine plan for an operation, must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors). Such modifying factors must be disclosed. A probable Mineral Reserve is the economically mineable material derived from a measured and/or indicated Mineral Resource. A proved Mineral Reserve is the economically mineable material derived from a measured Mineral Resource. It is estimated with a high level of confidence

ESG GLOSSARY *continued*

Term	Definition
Mineral Resource	A concentration or occurrence of material of intrinsic economic interest in/on the earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories
Mining Charter	Broad-based socio-economic empowerment charter for the South African mining industry which aims to promote the creation of an industry that reflects the promise of a non-racial South Africa. Mining Charter III was gazetted on 27 September 2018
MI	Megalitre
Mo	Molybdenum
MOSH	Mining Industry Occupational Safety and Health
MOU	Memorandum of understanding
MPRDA	Mineral and Petroleum Resources Development Act, 28 of 2002
Moz	Million ounces
Mt	Million tonnes
MW	Megawatt
MWh	Megawatt hour
NERSA	National Energy Regulator of South Africa
NGOs	Non-governmental organisations
NUM	National Union of Mineworkers
NYSE	New York Stock Exchange
OHSAS 18001	Occupational Health and Safety Assessment Series' internationally applied standard for occupational health and safety management systems
Operating margin	Revenue less production costs expressed as a percentage of revenue
oz	Ounces
Pay limit	The grade of a unit of ore at which revenue from the recovered mineral content of the ore is equal to the total cash cost, including ore reserve development and stay-in-business capital. This grade is expressed as an in-situ value in grams per tonne or ounces per short tonne (before dilution and mineral losses)
PGK	Kina, currency of Papua New Guinea
PNG	Papua New Guinea
PoPI Act (or POPIA)	Protection of Personal Information Act (No 4 of 2013)
Preferential procurement – BEE total spend (rand)	Procurement spend collected from the Harmony enterprise resource planning system's payment register, which is only the discretionary spend value spent with suppliers that hold a valid black economic empowerment (BEE) certificate, and comply with the minimum historically disadvantaged South African (HDSA) ownership of 25% or more – the reporting period for this key performance indicator was the 2017 financial year, and includes spend throughout the reporting period regardless of invoice date, aligned with the requirement of the revised Mining Charter of September 2010
Probable Mineral Reserve	Economically mineable part of an indicated, and in some cases, a measured Mineral Resource. It includes diluting materials and allowances for losses that may occur when the material is mined. Appropriate assessments and studies have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified

Term	Definition
Productivity	An expression of labour productivity based on the ratio of grams of gold produced per month to the total number of employees in underground mining operations
Project capital	Capital expenditure to either bring a new operation into production; to materially increase production capacity; or to materially extend the productive life of an asset
Proved Mineral Reserve	Economically mineable part of a measured Mineral Resource. It includes diluting materials and allowances for losses that may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified
R	Rand, currency of South Africa
RCF	Revolving credit facility
Reclamation	In South Africa, reclamation describes the process of reclaiming slimes (tailings) dumps using high-pressure water cannons to form a slurry that is pumped back to metallurgical plants for processing
RECONNECT	An initiative, launched in collaboration with Teba and based on the Department of Health's Project Ku-Riha, to trace former employees and assist in addressing the backlog in claims for occupational lung disease at the Compensation Commission for Occupational Injuries and Diseases
Reef of gold	A gold-bearing sedimentary horizon, normally a conglomerate band, that may contain economic levels
SA	South Africa
SACNASP	South African Council for Natural Scientific Professions
SAIMM	South African Institute of Mining and Metallurgy
SAMREC	South African Code for Reporting Exploration Results, Mineral Resources and Mineral Reserves
SARs	Share appreciation rights
Scope 1 carbon emissions (tCO₂e)	Direct combustion of fuel by the Harmony group (explosives, diesel and petrol)
Scope 2 carbon emissions (tCO₂e)	Scope 2 emissions calculated from electricity purchased (from the power utility excluding use by third parties) multiplied by the appropriate factor as indicated by the electricity supplier
Scope 3 carbon emissions (tCO₂e)	<p>Indirect combustion by the Harmony group in line with scope 3 emissions in the following categories as indicated by the Greenhouse Gas Protocol:</p> <ul style="list-style-type: none"> • Purchased goods and services • Capital goods • Fuel and energy-related emissions not included in scopes 1 and 2 • Upstream transportation and distribution • Waste generated in operations • Business travel • Employee commuting • Upstream leased assets • Downstream transportation and distribution • Processing of solid products • Use of sold products • Downstream leased assets • Franchises • End-of-life treatment • Investments.
SDGs	<p>Sustainable Development Goals. Developed by the United Nations, there are 17 such goals. They came into effect in January 2016 in support of the United Nations' 2030 Agenda which aims to:</p> <ul style="list-style-type: none"> • End poverty and inequality • Protect the planet • Ensure that all people enjoy peace and prosperity.

ESG GLOSSARY *continued*

Term	Definition
Silicosis	The number of cases of pure silicosis confirmed by the Medical Bureau of Occupational Diseases in FY15 includes all cases received by Harmony, as confirmed during FY15, regardless of the date of the Medical Bureau of Occupational Diseases letter (cases including other conditions, specifically tuberculosis, are not included in this number)
Social and labour plans (SLPs)	Social and labour plans aimed at promoting employment and advancing the social and economic welfare of all South Africans while ensuring economic growth and socio-economic development as stipulated in the MPRDA
SOP	Standard operating procedure
Tailings/TSF	Tailings are finely ground rock of low residual value from which valuable minerals have been extracted. Discarded tailings are deposited and stored in tailings storage facilities (TSF)
TB	Tuberculosis
TCFD	Task Force on Climate-related Financial Disclosures. The task force, established in 2015 by the Financial Stability Board (FSB), will develop voluntary, consistent climate-related financial risk disclosures for use by companies to provide information to investors, banks, lenders and insurers. Increasing the amount of reliable information on financial institutions' exposure to climate-related risks and opportunities will strengthen the stability of the financial system, contribute to greater understanding of climate-related risks and facilitate financing the transition to a more stable and sustainable economy
Tonne/ton (t)	Metric = 1 000 kilograms/Imperial = 2 000 pounds (1 016 kilograms)
UASA	Formerly the United Association of South Africa, now known as UASA
US	United States of America
US\$	United States dollar
Volume of mineral waste disposed (tonnes)	Mineral waste consists of waste rock and slimes/tailings: <ul style="list-style-type: none"> Waste rock refers to the amount of waste rock produced and/or hoisted to surface and placed on a waste rock disposal site during the reporting year Slimes/tailings refers to the total amount of slimes/tailings produced by the processing plant during the reporting month.
Waste	Material with insufficient mineralisation for future treatment and discarded
Water used for primary activity (kilolitres)	The total make-up or new water drawn into the boundaries of the operation from all sources (including surface water, groundwater and municipal water supply or water utilities) for use for mining and processing-related activities including use by contractors (excludes internally recycled water, affected fissure water, water discharged to receiving environment and supply to third parties such as communities and businesses)
Weighted average number of ordinary shares	Number of ordinary shares in issue at the beginning of the year, increased by shares issued during the year, weighted on a time basis for the period in which they have participated in the income of the company, and increased by share options that are virtually certain to be exercised
Yield	Amount of valuable mineral or metal recovered from each unit mass of ore expressed as ounces per short tonne or grams per metric tonne

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the safe harbour provided by section 21E of the Exchange Act and section 27A of the Securities Act of 1933, as amended (the Securities Act), with respect to our financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters.

These forward-looking statements, including among others, those relating to our business prospects, revenues, and the potential benefit of acquisitions (including statements on growth and cost savings) wherever they may occur in this report and the exhibits to this report, are necessarily estimates reflecting the best judgement of our senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

- Overall economic and business conditions in South Africa, Papua New Guinea, Australia and elsewhere, and measures taken to address the Covid-19 pandemic, and other contagious diseases, such as HIV and tuberculosis
- Estimates of future earnings, and the sensitivity of earnings to gold and other metals prices
- Estimates of future gold and other metals production and sales
- Estimates of future cash costs
- Estimates of future cash flows, and the sensitivity of cash flows to gold and other metals prices
- Estimates of provision for silicosis settlement
- Estimates of future tax liabilities under the Carbon Tax Act (South Africa)
- Statements on future debt repayments
- Estimates of future capital expenditures
- The success of our business strategy, exploration and development activities and other initiatives
- Future financial position, plans, strategies, objectives, capital expenditures, projected costs and anticipated cost savings and financing plans
- Estimates of reserves statements regarding future exploration results and the replacement of reserves
- The ability to achieve anticipated efficiencies and other cost savings from past and future acquisitions, as well as at existing operations
- Fluctuations in the market price of gold
- The occurrence of hazards associated with underground and surface gold mining
- The occurrence of labour disruptions related to industrial action or health and safety incidents (both as a result of tariff increases from Eskom as well as possible future costs to introduce more sustainable decarbonised green power options)
- Power cost increases as well as power stoppages, fluctuations and usage constraints
- Supply chain shortages and increases in the prices of production imports and the availability, terms and deployment of capital
- Our ability to hire and retain senior management, sufficiently technically skilled employees, as well as our ability to achieve sufficient representation of historically disadvantaged persons in management positions
- Our ability to comply with requirements that we operate in a sustainable manner and provide benefits to affected communities
- Potential liabilities related to occupational health diseases and liabilities associated with safety incidents
- Changes in government regulation and the political environment, particularly tax and royalties, mining rights, health, safety, environmental regulation and business ownership including any interpretation thereof; court decisions affecting the mining industry, including the interpretation of mining rights
- Our ability to protect our information technology and communication systems and the personal data we retain
- Risks related to the failure of internal controls
- The outcome of pending or future litigation or regulatory proceedings
- Fluctuations in exchange rates and currency devaluations and other macro-economic monetary policies
- The adequacy of the group's insurance coverage
- Any further downgrade of South Africa's credit rating
- Socio-economic or political instability in South Africa, Papua New Guinea and other countries in which we operate.

For a more detailed discussion of such risks and other factors (such as availability of credit or other sources of financing), see the company's latest integrated annual report and Form 20-F which is on file with the Securities and Exchange Commission, as well as the company's other Securities and Exchange Commission filings. The company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events, except as required by law. The foregoing factors and others described under "Risk Factors" should not be construed as exhaustive. The forward-looking financial information has not been reviewed and reported on by the company's auditors.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Mineral Resources or Ore Reserves has been extracted from our Reserves and Resources statement published on 31 August 2021. Harmony confirms that it is not aware of any new information or data that materially affects the information included in the statement, in the case of Mineral Resources or Mineral Reserves, that all material assumptions and technical parameters underpinning the estimates in the original release continue to apply and have not materially changed. Harmony confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original release.

ADMINISTRATIVE AND CONTACT DETAIL

HARMONY GOLD MINING COMPANY LIMITED

Harmony was incorporated and registered as a public company in South Africa on 25 August 1950
Registration number: 1950/038232/06

Corporate office

Randfontein Office Park
PO Box 2, Randfontein 1760, South Africa
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Telephone: +27 11 411 2000

Website: www.harmony.co.za

DIRECTORS

Dr PT Motsepe* (chairman)
JM Motloba* (deputy chairperson)
Dr M Msimang*^ (lead independent director)
PW Steenkamp** (chief executive officer)
BP Lekubo** (financial director)
HE Mashego** (executive director)
JA Chissano*#^
FFT De Buck*^
Dr DS Lushaba*^
P Turner*^
KT Nondumo*^
VP Pillay*^
GR Sibiyi*^
JL Wetton*^
AJ Wilkens*

* Non-executive

** Executive

^ Independent

Mozambican

INVESTOR RELATIONS

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GROUP COMPANY SECRETARY

Shela Mohatla

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